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INVESTIGATION

RE

DEPARTMENT OF MARINE AND FISHERIES

BEFORE THE

HON. MR. JUSTICE CASSELS

PART II

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1909



INVESTIGATION RE DEPARTMENT OF MARINE AND FISHERIES

RESUMED BEFORE

THE HON. MR. JUSTICE CASSELS

MONTREAL, WEDNESDAY, SEPTEMBER 2, 1908, 11 A.M.

Dr. CHARLES MORSE, K.C.,

Deputy Registrar of the Exchequer Court of Canada,

N. R. BUTCHER & Co.,

Official Stenographers.

Mr. J. L. PERRON, K.C., appears as counsel assisting in the investigation.

Mr. J. M. GODFREY, appears for Mr. J. F. FRASER.

The following witnesses, subpoenaed to be in attendance to-day, were called : G. T. Merwin, John D. Oppo, Thomas Robb, L. G. Lewis, Hugh Andrew Allan, and F. L. Brooks. All the witnesses answered to their names except Merwin and Brooks.

The Commission then adjourned till 2.30 p.m.

The Commission resumed at 2.30 p.m.

Mr. J. M. GODFREY appeared representing Mr. J. F. Fraser.

Hon. Mr. CASSELS.—You appear to be the only counsel present, Mr. Godfrey ?

Mr. GODFREY.—Yes. I will be moving for judgment by default.

After some time—

Mr. CHARLES D. GAUDETTE appears on behalf of Coughlan & Co., parties interested in the investigation.

Mr. GEORGE H. WATSON, K.C., and Mr. J. L. PERRON, K.C., appear as counsel assisting the Commissioner.

Mr. WATSON.—My Lord, I should apologize for having detained your lordship somewhat this morning, by reason of the train being late. I am sorry to say it was about four hours late getting in, so that I was not able to reach the hotel until about luncheon time. I am glad to say that my learned friend, Mr. Perron, has been devoting much time and consideration with a view to preparation, and we have some witnesses that we are able to bring before your lordship this afternoon, and will follow, no doubt, during the remainder of the week at all events. I am in hopes we may finish this week at Montreal, but it may possibly extend into next week. Observations were made by the Civil Service Commissioners in their report with regard to the Lighthouse Board, and in connection with that, reflections have been conveyed by the Commissioners, not merely upon the government, but upon the department and upon the gentlemen who compose that board. In view of those circumstances we thought it proper to bring before your lordship one or two of the prominent members of that board, who may state the circumstances and condition of the working of the board so far as it affects the department and the subject of the inquiry by your lord-

ship. I am glad to say that Mr. Hugh Allan is present, and I should like to call him before your lordship for the purpose of obtaining some evidence.

Hon. Mr. CASSELS.—I may say, before you examine Mr. Allan, personally my own view is this, that it does not matter how much money was properly expended or was wasted in improving the navigation. Colonel Gourdeau expressed a desire that some of the gentlemen connected with the shipping interest should have an opportunity of giving evidence to show what has been done in the way of aiding navigation.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—I am not concerned at all with government policy. I am only concerned with finding out whether moneys have been improperly paid to officials of the Marine Department.

Mr. WATSON.—Affecting their interest.

Hon. Mr. CASSELS.—And my views on the question of navigation—I know enough about it to know that too much cannot be spent if it is properly spent, but as Colonel Gourdeau expressed a wish I am delighted to hear Mr. Allan on the subject.

Mr. WATSON.—I fully agree with what your lordship has said. I quite agree that this comes in incidentally only, perhaps, rather than directly, under the Commission, but it has been brought forward in such a way that I think it is only fair to these gentlemen, as well as to others, that there should be an opportunity of their being heard.

HUGH ANDREW ALLAN, sworn and examined.

By Mr. Watson:

Q. You are a member of the Lighthouse Board?—A. I am.

Q. It consists of how many members?—A. It consists of the Deputy Minister, the chief engineer—may I refer to my book?

Q. Yes, certainly.—A. The Commissioner of Wrecks, I think they call him, Commander Spain, Mr. J. F. Fraser, Commissioner of Lights, myself, and Captain Troupe of Victoria.

Q. Then you are of the Allan Line Board; that is the Allan line of steamships; you are of that company, I understand?—A. Yes.

Q. And has your membership of the board any connection with that system of steamships?—A. My membership of the Lighthouse Board has nothing to do with the Allan Line Steamship Company. I represent the shipping interests in the Lighthouse Board.

Q. A member of the board as a representative of the shipping interest?—A. Yes.

Q. That is, in the interest of the board and of the public you are brought in in that way?—A. Yes.

Q. And in the same way, I assume, in a little different capacity, as to Mr. Troupe. I see he is the manager of the Canadian Pacific Railway Steamship Line?—A. I think he is in the same position exactly regarding the Pacific as I am regarding the Atlantic.

Q. And Colonel Gourdeau, the deputy, was chairman of the board?—A. He was.

Q. Were your meetings regularly held?—A. Yes, not on stated days, but fairly regular, generally with a view to the convenience of the members. If I could not come up, for instance, on a certain day on account of other engagements, they would put it off till the following day, or perhaps two days sometimes, and if anybody else could not be present, I fancy the same thing was done. There was no absolutely fixed day or date.

Q. Is it a matter of remuneration to you as member of that board?—A. I get my expenses when I go to Ottawa. I make a memorandum of the cab-fare, &c.

Q. Is that all?—A. I believe there is \$5 a meeting, but I am afraid I have forgotten to collect it.

Q. You have not drawn that?—A. I think on one occasion they sent it to me.

Q. That is the usual directors' fee, they say, in small companies?—A. Yes.

Q. I do not know that that applies to large banking institutions and other large financial institutions?—A. No, they have a different standard, I think.

Q. I am sorry to say it applies perhaps too frequently in Toronto in matters of less importance.—A. Yes.

Q. You have attended, as I understand, pretty regularly the meetings of that board?—A. Yes, I have.

Q. The Civil Service Commissioners, so-called, made some inquiries and a report, and in that report passed upon the functions and the performance of the duties by this board of which you are a member, and the usefulness, or rather the uselessness of your board?—A. Yes.

Q. I should like to know from you just in a word, what you deem the chief functions of the board?—A. Well, the object of this board is to discuss the recommendations that are sent in to the board by various bodies, and in some cases recommendations, as far as the river and gulf of St. Lawrence, and the coast from Belle Isle to St. John, New Brunswick, embracing the whole of the Bay of Fundy, are concerned have been made through the Shipping Federation of Canada, an association of shipping men in Montreal comprising all the regular lines of steamships that come to this port, with the exception of the Canadian Pacific Railway Company. These recommendations have to a large extent, if not altogether, been based on an inquiry that was held, I think, in 1900, by the then minister of the department, at which the captains of all the regular lines running through the St. Lawrence were asked to give their views with regard to the improvements required in aids to navigation, which had become, to a large extent, obsolete, and not at all suitable to the changed conditions that then prevailed, and which have since, of course, grown immensely. These recommendations have all been endorsed by the Shipping Federation, have been passed upon by them, and after being passed at their meetings, have been forwarded to the Lighthouse Board for their consideration. In like manner the recommendations of the people on the Pacific Coast—I am unable to say exactly what their organization is called, but it is practically the same as ours: that is to say Captain Troupe, I think, is the chairman, and all the interests out there are represented, and he calls them together, and they discuss what is required, and any improvements that commend themselves to this board are forwarded to the Lighthouse Board for their consideration. Sometimes individuals write to the minister or the deputy minister, or some member of the department, and they are put on the docket, and discussed, and if they commend themselves to the board, then they are passed, and if not, they are rejected. That is the mode of procedure at the board, and I may say that at that Board a very full discussion is always had as to the advisability of every item before it is passed, but it has always been understood that these were recommendations when passed to the minister.

Q. Recommendations usually acted upon, no doubt?—A. Yes.

Q. And you were taken in as a business representative, a practical representative of the shipping interests, as well as Mr. Troupe?—A. Yes, we were supposed to have knowledge of what we were discussing.

Q. That would be of great advantage to the minister and the department?—A. Yes, I should think it would be of great help to them.

Q. And I understand you to say in that way the department had the benefit of the views of the Shipping Federation?—A. Yes.

Q. At all times?—A. Well, that is really what it amounted to, because everything passed through them.

Q. Working in harmony with them?—A. Yes, there was nothing individually on my part at all.

Q. Then the question has arisen out of the report of the Civil Service Commissioner as to whether or not the action of the board was independent, whether it was not merely the making of record of the views of the shipping interest, including the views of individuals who had personal interests to promote?—A. That is absolutely without any foundation in fact.

Q. No foundation for it?—A. No.

Q. How could such an idea arise? Apparently it was in their minds and their report is based upon it?—A. From what happened at the board meetings there was no reason why any one should come to such conclusions, and I can only imagine that such a conclusion would be arrived at by people who wanted to find fault and could not give any reason for finding fault.

Q. That is what you say?—A. That is what I absolutely believe.

Q. Referring to that report, I find at page 35 it is stated that about three years ago the department took a new and apparently vigorous departure in the effort to supply new and improved aids to navigation. I suppose that is probably correct, is it?—A. Quite.

Q. The report continues—

‘This work, which had been under the charge of the chief engineer, was divided up, and a lighthouse board was established, apparently with the idea of effecting better results by making a specialty of this branch of the department. A new officer was appointed in connection with it, called the Commissioner of Lights, whose whole time is now given to its management, which includes the management of a lighthouse depot, established at Prescott, where a great variety of work is carried on in connection with the lighthouse and buoy service. Your Commissioners have to report that, in their opinion, this new departure has been a most unfortunate one so far as the efficiency of the special work is concerned; and it certainly has not added to the general efficiency of the Marine and Fisheries Department.’

These are strong comments—strong statements?—A. Yes.

Q. What do you say as to that? They report that in their opinion this new departure has been a most unfortunate one so far as the efficiency of the special work is concerned—A. I think it is the most fortunate thing that ever happened for the shipping interests of this country that that board should have been established as it was. I think that anybody that knows the first thing about navigation or shipping interests, if he does not know anything about navigation, cannot have gone from Montreal to the sea, or from the sea to Montreal, without having forced upon his attention, even as a passenger in a steamer, what tremendous strides have been made in navigation and how much good has been done. Take merely the most elementary or the most striking instance, to-day the largest steamers can navigate between Montreal and Quebec by day or by night if the weather is clear, if there is no fog or something to prevent them, and they could not have done that before these lights were established. To talk about this being a thing to be deplored in any way is perfectly ridiculous, absolutely ridiculous; I cannot use words strong enough to express my surprise that any body of men should ever have said such a thing.

Q. How can you account for it?—A. I cannot.

Q. It is not based upon the facts at all events, you say?—A. No, Certainly not.

Q. The report says ‘And it certainly has not added to the general efficiency of the Marine and Fisheries Department.’—A. Well, my experience is that the formation of this board has been the occasion of other organizations in the department being formed whereby the whole service has been systematized in a way that it never was before to my knowledge. There may have been in the internal Department of the Marine and Fisheries a body of men who looked after the thing, but I never heard of it, and now the shipping interests are advised of everything of importance; we keep in touch with the officers of the department in regard to everything. If a light goes out it is reported to our pilots and we report it to them. Not only is the lighting better, but the control of the lights is infinitely superior to what it was before.

Q. Then it has been an advance on the policy of progress which was necessary to keep abreast with the times?—A. Yes, and instead of being about the worst lighted and buoyed channel of its size, it will now compare favourably with any water of like nature in the world.

Q. I understand from you that that policy was adopted some three or four years ago?—A. Yes, 1904.

Q. And has been maintained and pursued since that time ?—A. Yes.

Q. The report states—

‘Four of these gentlemen are the senior officers of the Marine and Fisheries Department, while the other two represent the shipping interests. This board seems to have no duties but the giving of their decision upon all applications for new or improved aids to navigation coming to them from all parts of the country, from the Straits of Belle Isle and Newfoundland in the east to British Columbia in the west. Whatever importance their decisions may have (and they mean much when expressed in dollars) it does not concern them.’

That is, it does not concern the members of the board whatever importance their decisions may have? Has there been any conduct or act or results calling for such criticism ?—A. Not that I am aware of.

Q. On the part of any member of the board ?—A. No.

Q. That report continues—

‘Figuring as an impartial and skilled tribunal, passing upon all demands for government money under the plea of necessary aids to navigation, they can do so without the slightest sense of responsibility, for they absolutely incur none.’

What do you say to that ?—A. Well, I call that a miserable insinuation. If a body of men consisting of the principal officers of the department, that have served their lives in the department, and have shown their work that they have done, and if representatives of two interests, such as the shipping interest of the St. Lawrence, representing an enormous number of vessels and an immense tonnage and great value, are men that are supposed to stoop to acting without any sense of their responsibility, I am very sorry for the people who would think so. I think the business community of this country has not fallen that far. We have always had in this country, we have now, and I hope we always will have a very different moral tone from that.

A. And as far as the actions and proceedings of this board are concerned, has there been anything to justify such observation ?—A. Absolutely nothing.

Q. And I observe it says—

‘Between June, 1905 and June, 1907 this board approved of and passed applications for new and improved aids to navigation amounting to \$1,691,813. With the voting away of this vast amount of money the responsible minister had nothing to do. He was simply asked to initial the minutes of the different meetings of this most powerful but irresponsible board. The effect of this state of things is disastrous. It means practically the removing of all responsibility from those to whom extensive powers of administration and expenditure are granted.’

I suppose the figures are fairly accurate, are they ?—A. I think so.

Q. That is, that the board has approved and passed applications for improved aids to navigation, amounting to \$1,691,000 ?—A. I think so.

Q. That is a large sum on its face ?—A. Yes, but you cannot do this work without expenditure—

Hon. Mr. CASSELS.—I understand this is merely an advisory board ?—A. Yes.

Q. You have no power except to recommend ?—A. We have no power except to recommend.

Q. You recommend where lights or buoys should be placed, and it rests with the government whether they will carry it out or not ?—A. Yes, that is the position.

Mr. WATSON.—As you have stated, and as his lordship indicates, you say you consider and then recommend to the minister ?—A. Yes.

Q. Of course that is done in a business way with the expectation that it will be acted upon ?—A. Yes.

Hon. Mr. CASSELS.—For instance, take the Wilson buoy, I do not suppose the board knew whether Wilson charged too much or too little or anything of that sort. They were simply advising whether lights or buoys should be placed in certain localities ?—A. Yes, and the order of lights.

Mr. WATSON.—And as to whether or not they should be placed?—A. Yes.

Q. Do you consider as to whether or not a particular class of buoy should be used?—A. Yes, that is what I mean when I say the order of lights.

Q. Did your board recommend the use and adoption of these buoys that were afterwards obtained?—A. Yes.

Q. This is referred to by the Commissioners as being exceedingly extravagant and useless?—A. You mean this expenditure?

Q. Yes, and the use and adoption of these buoys. It is stated in some place in the report that it was wholly unnecessary to make the change?—A. It was absolutely necessary.

Q. In what interests?—A. If the shipping of Canada was to go ahead. Competition is getting stronger every year, and we cannot afford now-a-days to lay our ships up below Quebec or at Quebec or between Quebec and Montreal perhaps for days. What we have to do is to run our steamers as economically and safely as possible, and in order to do that, these aids to navigation put in between Quebec and Montreal and between Quebec and Belle Isle have to a large extent, met the requirements of the trade. I do not say that there is not something more required later on. There is something more and we will keep pressing till we get it.

Q. Further lights?—A. Yes, but everything that has been done has been well done, and the condition of the St. Lawrence to-day speaks for itself.

Q. It has been done manifestly at considerable expenditure?—A. Yes.

Q. Has there been measurable return for that?—A. Certainly there has.

Q. Has there been any saving by reason of that?—A. Certainly there has.

Q. In what way?—A. As I said before it has enabled ships to continue their voyages, and therefore from a shipping point of view it has made the route more economical. The insurance of cargoes also has been reduced, and will, I hope, continue to be reduced, but, of course, insurance companies, like every other business people, have to recoup themselves for losses in the past and their reductions have been gradual from year to year until they get down to a point where they consider they have gone as far as they can go and that will be gauged by the result of the steamers navigating the St. Lawrence route. If there are accidents they will have to recoup themselves for the accident, but by guarding against those accidents, we will finally reduce the insurance to the lowest possible point.

Q. And to what extent are you able to say has that reduction been effected in insurance?—A. Well, take it since 1900, I think it is between 40 and 50 per cent.

Q. I have here a record in my hand which Mr. Perron has given me, showing a summary of average net insurance rates on exports by steamers from 1900 to 1908.—A. Yes, that is it.

Q. You know of this?—A. Yes.

Q. Is this accurate?—A. Yes.

Q. I see the rate on insurance on provisions and merchandise in 1900 was 84½ per cent, and in 1907 it was 38 per cent, or 38 cents?—A. 38 cents.

Q. 84½ cents in 1900, and in 1907 38 cents?—A. Yes.

Q. That is a very great reduction?—A. More than 50 per cent.

Q. And in 1900 99 cents was charged for a commodity which in 1907 only 38 cents was charged.—A. Yes.

Q. To what is that reduction attributable, is that ordinary competition in trade. Can you say it is not that?—A. No, I would not say it was that either. I think the competition was probably as great in 1900 as it was in 1907, but it is the result of the safer navigation.

Q. And the safer navigation was brought about—A. By the improvements in the aids to navigation.

Q. Including the light service?—A. Principally the light service.

Q. That of itself would be a saving of how much? Can you say?—A. Do you mean how much money would be saved?

Q. Yes ?—A. I could not tell you that.

Q. I understand that amounts to a large sum—A. It has all been worked out.

Q. It is said to be in the neighbourhood of \$230,000 or \$240,000 per annum. Would you be surprised at that sum—A. No, I would not.

Q. That would be a saving to the shipping interests ?—A. Yes.

Q. And the public would get the advantage of that ?—A. Yes, that is the saving. I do not mean by the steamers, I mean by the shippers and importers.

Q. The Commissioners says :—

‘When one realizes the enormous pressure being constantly brought to bear on the government of the day in favour of grants and bounties of all kinds from one end of the country to the other, it would surely seem to be a most unwise thing to create a board with extensive powers, which can be and are used in sympathy with the universal outside pressure and without being accountable to anybody.’

A.—Well, as far as this board is concerned, and as far as I individually know—and I know what happened when I was present—that statement which I must describe as a miserable insinuation has no foundation in fact. There was never anything said by anybody that influenced this board in coming to a conclusion as to what was right or what should be passed or what should be objected to, the question was never brought forward.

Q. It was the matter of public service ?—A. We brought the questions up and they were discussed on their merits, and there was nothing said or hinted at about anybody wanting this or wanting that.

Q. I feel justified in referring a little further to this report, especially by reason of this fact that this report is the basis of the commission which his lordship is executing. The report states :—

‘The two outside members of this board simply represent the shipping interest which is their own. They cannot serve the country and themselves equally well in the same matter.’

That is a very strong statement.—A. Yes. I believe I have acted in every case that has been brought up before the board exactly as I would if I had been a lawyer or any other professional man attending to the interests of the people that I represented. I have never in thought or wish deviated one iota from that point, and I will defy anybody to bring up any item that has ever been passed by that board that was in the interests of shipping and against the interests of the country.

Q. Those words then would appear to be most grossly libellous upon honourable men ?—A. They are.

Hon. Mr. CASSELS.—How many lines of steamships are there ?—A. We have three lines, the Dominion line two, the Refords three, the Manchester one, the Head one, the Elder-Dempster one. (Witness refers to document.) There are fifteen different lines.

Q. Has your line of steamships any special channel from Belle Isle to Montreal ?—A. Yes, but there is only one channel.

Q. Then what benefits your line must benefit all the others ?—A. Yes.

By Mr. Watson :

Q. Do you get any advantage over any of the others by reason of any circumstance or condition ?—A. No.

By Hon. Mr. Cassels :

Q. I suppose what benefits the Allan line of steamships coming from the gulf must benefit the others ?—A. Oh, certainly.

By Mr. Watson :

Q. From what you say these words, as written, are manifestly scandalous ?—A. Manifestly.

Q. This adds, referring to the government officials who are members of the board—

‘They are not independent of political influence or departmental pressure. They are, in no proper sense, qualified to fill such a position of trust as a seat on this Light-house Board should mean—where the most absolute sense of justice with complete independence is called for.’

That is made to apply to them as well as to the other members of the board, apparently?—A. Well, I did not know these gentlemen before I jointed the Light-house Board, and I do not know them very well outside of the board, but at the board meetings I have always been very glad and proud to meet them, and I shall continue to be. They could not have acted more fairly and more judiciously than they have on every question. They have heard both sides of it; every item has been freely discussed and it has never been passed until everybody has been satisfied it was the right thing.

Q. Now then, in connection with that matter, the chief engineer, Mr. Anderson, stated in his evidence before his lordship, that matters were very seldom discussed or considered by the board. It was a matter of record rather than of consideration and discussion. This was by Mr. Anderson who was a member of the board. How can you account for that?—A. I cannot account for it. I have the very highest opinion of Mr. Anderson, he is a very great friend of mine, and if he has said that, I cannot understand it. I say and repeat and emphasize what I have already said, that every item has been discussed before being passed.

Q. And there was rather an implication, perhaps, than a direct statement, that the board was subject to the direction and influence, to much too large an extent, of the Commissioner of Lights and Mr. J. F. Fraser?—A. I never knew it.

Q. What have you to say to that?—A. I never noticed it.

Q. Did it exist with you?—A. It did not.

Q. Or with any other member of the board to your knowledge?—A. It did not; more particularly Colonel Anderson and Mr. Fraser had discussed what kind of light we would have, the order of light, and to-day more particularly because they had the greater knowledge, being experts, but they would explain it to us, and sometimes we would agree with one and sometimes we would agree with the other.

Q. And was there evidence before your board of hostility between these two officials?—A. I would not say so, no. I would say they were both very keen to look after the interests they represented, and they did different times, but I never remember, and I would swear that nothing has ever passed until they came to agreement, with I think one exception, and then Colonel Anderson said ‘I object,’ and the chairman said, ‘Well, if you object we will not pass it. We will leave it over till the next meeting.’

Q. The board always desired the concurrence of these two officials?—A. And not only them, but every one else.

Q. It was not a matter of the will of one prevailing?—A. No.

Q. Then in connection with the functions, the performance of the duties of the board and yourself as a member of the board, did anything ever come to your knowledge as evidence of dishonesty on the part of those officials or of any other officials of the department?—A. I never heard anything of it.

Q. The Commission to his lordship calls for a report as to acts of dishonesty on the part of any official?—A. I have no knowledge of any.

Q. Can you give any information bearing upon such conduct?—A. Absolutely not.

Q. Or anything directed to the commission in that respect?—A. I not only do not know of it but I never heard of it.

Q. Has anything of the kind ever appeared before the board in the performance of the duties?—A. Not at all.

Q. Then they sum up by saying: 'If the board is intended to be a permanent institution it should be reorganized, and the Minister of Marine and Fisheries should be a member of it, as being chiefly responsible for the finding of its expenditures.' What have you to say about that?—A. Well, I should say that it was quite unnecessary because the minister has his deputy, and I presume his deputy is competent, or he should not be there, and his deputy is there for the purpose of doing just such a thing as this, and I do not think it is desirable for a minister of the Crown to devote his time to discussing all the details that have to be gone through when they are all threshed out, and he has the matter put before him by the men of his department who have been working there for years, and are experts in the subject that they are talking about. If he is a competent minister he can then put such questions to his expert as he desires, just as any man does his business. He does not go down and do his work in the department. He has the clerk come to him with the result.

Q. Can you say from your position, from your extensive knowledge of the business man of this country, whether it would be practical for a minister of the Crown to so engage himself in matters of detail in connection with his office as minister?—A. To take it up and master it?

Q. Yes.—A. Absolutely impossible, unless he happened to be a man who had been brought up as an engineer, and had been through all the departments of the concern which manufactured all these aids to navigation, such as the buoys and lights. If he was the practical man who made the lights, and that kind of thing, he might then sit on the board, but for any business man or any statesman, such as a minister, to undertake a work like that, it would be quite impracticable.

Q. And I assume that is the reason why there is as a member of the board, not merely the deputy minister, but the chief engineer of the department, such as the lights commissioner?—A. Yes.

Q. The report says finally: 'There can be very little question that the Light-house Board has been the means of greatly increasing the expenditure of the department.' You have no doubt reported as to the necessity of increased expenditure?—A. Yes.

Q. And then it adds 'And that much of the increase has been wasted.'—A. Well, I do not know whether there has been any waste at all or not, but I know we have got what we hadn't, and we have got what is absolutely necessary. I discussed that question at some length with the navigating officer of the flagship when he was here. He came up to Quebec, and he was very much interested in what had been done for the last few years, and he expressed himself as very well pleased with everything, and having read this report, I asked him if he considered that any of the lights—I do not know whether I should say that or not—if any of the lights were unnecessarily strong, and he said, 'No, decidedly not.' And he said that a place such as the Gulf of St. Lawrence below Quebec, liable to fogs and smoke, and of considerable width, so that the lights have to be seen considerable distances, required such lights as had been established there, and he thought we had now put things into first rate shape, and that there was nothing done that was, from the order of light, extravagant; I mean to say by that, that where they had a second order of light they could not have done with a third, or where they had a third, they could not have done with a fourth, and so on, and that was the tenor of his remarks.

Q. And some of the lights were displaced and new or better lights substituted?—A. Yes.

Q. It has been a subject of criticism—as to the necessity of that?—A. Yes.

Q. The chief engineer himself, expressed criticism as to that?—A. Yes.

Q. Was any objection made by him as a member of the board to any of these recommendations for changes?—A. When you say objection I would almost feel justified in saying so. He has at times—I cannot specify the times—said that a third order light should be there instead of a second, and perhaps a third order light was put there. But to recall any instances where a first order light where he wanted a

second—that is to say where the point was carried against his wish, and him objecting—I cannot do it.

Q. And have any of these improvements or changes been made or recommended contrary to your own individual judgment? Have you approved of these improvements?—A. I have approved of every item that was passed when I was present at the board, and I have no knowledge of anything being done at any meeting when I was not there that I thought in any way detrimental to navigation or in any way unnecessary.

Q. And, Mr. Allan, it is not too much to say, that I think every one would concede that your recommendations were based, not by reason of any personal interest, but for public service only?—A. I can only repeat that I have never made a request except such as has been recommended by the Shipping Federation and passed by their board.

Q. And that in the interest of the public?—A. Absolutely.

Mr. WATSON.—I think that is all I desire to ask Mr. Allan.

By Hon. Mr. Cassels :

Q. Does that statement show the showing on insurance of vessels as well as the produce?—A. No, sir.

Q. Have you any knowledge of what is the saving on vessels?—A. I do know that there has been a saving on vessels, but I cannot give the figures. Mr. Robb has them.

Q. As to the cost of the buoys have you any knowledge as to whether they have been overpaid or underpaid?—A. I have absolutely no knowledge.

Q. All your duty was to recommend the buoys in the public interest and advise where they should be placed?—A. Yes.

Q. The question of whether too much had been paid or not was quite out of your knowledge?—A. Yes. I may say I met a gentleman last night, a doctor whose name I have forgotten—he is on the lighthouses of the United States—he told me they had adopted these buoys.

Q. The question may arise here, not altogether as to the advisability from the navigation standpoint, but whether the government have been paying too much for these buoys; that is out of your sphere?—A. Yes.

By Mr. Watson :

Q. You merely made the recommendations for a particular class of improvements and particular lights, and it rests then with the department to supply?—A. Yes.

Q. And you have nothing to do with the expense of each buoy?—A. No.

By Mr. Godfrey :

Q. The expenditure is before you when you are making the recommendation?—A. Oh, decidedly.

Q. And so far as you know these prices have been fair?—A. Well, I would say I have no knowledge of what a buoy could cost, but I knew what it was going to cost. For instance, if they wanted to put a light on any certain point, the commissioner of lights and the chief engineer would discuss together, and they would say, 'Well, so much for the building and so much for the light, and so much for this, that and the other thing,' they being familiar with the site, and that would be put down on a memorandum to go to the minister.

Q. And the chief engineer and Mr. Fraser used generally to agree upon what the cost would be?—A. Always agreed.

Q. You have known J. F. Fraser and have had an opportunity of observing whether he carried out his duties as the commissioner of lights. What have you to say?—A. I think he is a very capable man.

Q. And what would you say generally on the question as to increased navigation facilities on the St. Lawrence route?—A. I think it has done marvellously.

Q. Do you think any money has been expended there that should not have been expended?—A. I do not think there has been an unnecessary light placed in the St. Lawrence.

Q. And the inference that Mr. Fraser was there simply to increase the sale of a certain buoy you think is unfounded?—A. Absolutely.

Mr. WATSON.—If your lordship pleases I think it would facilitate if you would rise now and resume at half past ten to-morrow morning.

Hon. Mr. CASSELS.—What hours do you propose to sit?

Mr. WATSON.—Half past ten in the morning till half past four in the afternoon.

Hon. Mr. CASSELS.—I am very anxious to get through with the investigation as soon as possible.

Mr. WATSON.—We are equally anxious, and of course we have as well the additional duty, which your lordship will appreciate, of getting matters together in such a manner as that we can present them shortly, and that will save time, so that our time out of court is perhaps more advantageously expended than it is in court or in a commission.

Hon. Mr. CASSELS.—I can quite understand that. Then we will adjourn till half-past ten to-morrow.

Mr. PERRON.—Mr. Allan may be excused from attendance now, your lordship?

Hon. Mr. CASSELS.—Oh, certainly.

(The commission then adjourned at 3.50 p.m., till 10.30 to-morrow.)

MONTREAL, Thursday, September 3, 1908, 10.30 a.m.

(Commission resumed.)

Mr. G. H. WATSON, K.C., and Mr. J. L. PERRON, K.C., appear as counsel assisting in the investigation.

Mr. J. M. GODFREY appears for Mr. J. F. FRASER.

Hon. Mr. CASSELS.—Mr. Watson, before you begin I would like to know about the sittings next week, Monday being a public holiday. Now, so far as I am concerned, I am perfectly pleased to sit if counsel and witnesses are agreeable.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—At the same time, I do not wish to press it upon any one.

Mr. WATSON.—My lord, I have been conferring in regard to that with my learned friend, Mr. Perron, and I find that after interviewing the witnesses my learned friend has quite reached the opinion that it would not be advisable to endeavour to proceed on Monday.

Hon. Mr. CASSELS.—Then, if that is so it seems to me better to adjourn to-morrow night. It is no use taking up two hours on Saturday; it breaks into the whole holiday.

Mr. WATSON.—That would be quite so, my lord. We could adjourn to-morrow night.

Hon. Mr. CASSELS.—To Tuesday morning.

Mr. WATSON.—Yes.

Hon. Mr. CASSELS.—Then what about further proceedings in Quebec?

Mr. WATSON.—I will be able to give your lordship further information, if you please, perhaps later in the afternoon, or to-morrow morning at latest.

Hon. Mr. CASSELS.—My reason is this: I am extremely anxious to get through with this inquiry; at the same time I know there is a great deal of work to be done by counsel. Now, I received a letter in the latter part of July from the Minister of

Justice, in which he stated that a statute had been passed which relieved me from the western circuit if I found the continuous carrying on of this commission was out of the question owing to court engagements. I wrote him back to the effect that if you and Mr. Perron showed the same zeal in the future that you had shown in the past, I would be prepared and only too willing to carry the investigation on continuously; and I feel under obligation to do so as the minister has relieved me by appointing a judge to take the western circuit. I also think it is only fair to those officials that we should get on with the greatest expedition.

Mr. WATSON.—Quite so, my lord. Speaking for my learned friend and myself, we are exceedingly anxious that the matter should be pressed along, and if possible continuously, so as to reach the end at the earliest possible moment, but your lordship will have well in mind the extent of our labours. In order to lessen the evidence and sift out the material to obtain the necessary detail it involves a vast amount of labour, and I regret to say that during the legal vacation it has not been practicable to accomplish very much in that way, partly through the Quebec celebrations—if I may refer to them in that way—our engagements there have been very great, and in addition other engagements of counsel during the legal holidays interfered so that we have not been able quite to make the progress we anticipated we would be able to make. However. I will be able to speak to your lordship more definitely later.

Hon. Mr. CASSELS.—I would like to know definitely for another reason. For instance, the proceeds of the Quebec Southern lying in the Bank of Montreal amount to more than a million dollars, and there are appeals likely to last five days from the referee's report. Now, if I get five days between our adjournment here and Quebec I will try and take up those appeals. I do not want to waste time, that is all.

Mr. WATSON.—Yes, my lord. Then perhaps by this afternoon or by luncheon time to-morrow at the latest I will be able to give your lordship definite information.

Mr. GODFREY.—It is understood, my lord, that we adjourn to-morrow night over the holiday?

Hon. Mr. CASSELS.—Yes. I cannot ask any one to stay here on a holiday, although I am perfectly willing myself to do it if all of the others are willing. It is hard on both witnesses and counsel that they should be asked to come in court when the statute gives them a holiday, so we will adjourn to-morrow; there is no sense sitting half of Saturday.

Next witness.

Mr. WATSON.—Then, my lord, Mr. Robb is here.

THOMAS ROBB sworn.

By Mr. Watson:

Q. Mr. Robb, you are connected, as I understand, in a business way with the shipping interests, the Shipping Federation?—A. Yes, I am secretary of them.

Q. Secretary of the board?—A. The Shipping Federation of Canada, duly incorporated under an Act of the Dominion parliament.

Q. Yes; and how long have you been in that position?—A. Since its incorporation in 1903.

Q. 1903?—A. Yes.

Q. There has been considerable criticism, particularly by the Civil Service Commissioners and one or two others, in regard to the changes and increased expenditure involved in the improvements of the channel, shipping matters. Have you personal knowledge of these affairs?—A. Yes. I have personal knowledge of all matters that will go through the federation, that is in advocating the improvements to the different aids to navigation.

Q. Yes.—A. And that, I may say, dates back to 1900. Three years prior to my taking office. We took over the shipping interests in Montreal, and the evidence of

all the different shipping masters trading to Canada was taken verbatim, and I produce that showing the necessity of the different aids that we advocated subsequently.

Q. What course do I understand you adopted?—A. We took up the different things left by the shipping interest inquiry in 1900.

Q. Oh, there was an inquiry previous to that?—A. Previous to that.

Q. Composed in what way?—A. Of all the different shipping lines trading to Canada.

Q. In Canada?—A. Yes.

Q. Was that a matter of record, was the evidence made a matter of record?—A. It was made a matter of record, sworn record.

Q. That was not official, was it?—A. Well, the government attended at the latter part of the inquiry, and it was open to any one who liked to give evidence in support.

Q. Yes; but it was promoted and carried through, the inquiry I refer to, by the shipping interests?—A. The shipping interests and underwriters.

Q. And underwriters?—A. Yes.

Q. I see. What was the cause or what gave origin to that?—A. Well, the trade and the shipping companies were leaving Canada.

Q. Do you mean to say leaving Canada?—A. Leaving and going to the United States ports.

Q. Indeed.—A. I will give you the list of vessels from the report.

By Hon. Mr. Cassels:

Q. On account of extra insurance?—A. On account of extra insurance and the risk, dangers of navigation.

By Mr. Watson:

Q. I see.—A. 'There was the withdrawal of a portion of the Dominion line fleet to Portland. The withdrawal of a part of the Thompson line fleet to Portland. The withdrawal of the larger boats of the Hamburg-American line fleet, the St. Lawrence tonnage of which line is greatly diminished, the larger steamers now trading with the United States ports. The decreased tonnage in the Donaldson line fleet, some of whose larger steamers have been replaced by smaller ones, the larger ones now trading with United States ports. The withdrawal of the Johnston line fleet to Liverpool. The reduction of the Leyland line sailings. It is respectfully contended that unless something is done by the government to prevent this actual and threatened exodus the ocean trade of Canada will very considerably diminish.'

Q. That, upon its face would appear to be a serious statement from a business point of view?—A. No doubt of it.

Q. Arising, you say, by reason of the dangers?—A. The dangers to navigation and the increased heavy insurance rates. If I might read this, it will not take more than two minutes?

Q. Yes.—A. 'To the existing and antiquated condition of the waterway between Montreal and the ocean is due to a large extent the extraordinarily high and exorbitant rate demanded by the Marine Underwriters for insurance. The rate on the hulls of ocean steamers running to Montreal for say six months and to the Atlantic ports in the United States for the remaining part of the years is from 8 to 10 per cent, and in some exceptional cases even eleven. The insurance rate on vessels running to the United States ports exclusively is from 3½ to 4½ per cent, and in some exceptional cases even 5 per cent making an average of about 4 per cent. The number of voyages made by steamers between Montreal and British and European ports is an average of five. Thus Montreal tonnage by these enormous rates largely due to the present condition of our waterways is handicapped, as compared with shipping in the United States ports, to the extent of somewhat over one per cent on every voyage, equal to an ordinary steamer worth \$500,000 to about \$5,000 per voyage or \$25,000 per Montreal season of five voyages.' I may say these things have been before the public for seven years and before the government.

Q. Yes, and in consequence of this inquiry and report or recommendation made, what was it that was deemed necessary?—A. Well, it was—practically the government had to commence with the lighthouses from Belle Isle right up to Montreal and from Cape Race. These are the two routes, the southern and the northern.

Q. Do you mean there was an absence of lighthouses, or an insufficiency of lights?—A. Insufficient lights proper aids to navigation.

Q. Any other respects in which improvements were necessary?—A. Well, there is the channel. We have certain delays in, for instance, the Beaujeu channel, there was only 21 feet of water there, and we were sometimes delayed there for 6 to 8 hours waiting for the tide, which practically prevented us reaping the benefits of the money the government spent in improving the channel above Montreal.

Q. Yes?—A. That has assisted us.

Q. How was that to be remedied?—A. By dredging the channel; that has been done. Then there is the channel from Montreal which has all been lighted. We have range lights, improved surface buoys, we have acetylene buoys, the finest light in the world, a thing which is noted by the Royal Commission in Great Britain which is now sitting.

By Hon. Mr. Cassels:

Q. That is known as the Willson buoy?—A. Yes.

By Mr. Watson:

Q. Is that the only one of that character?—A. There are other systems of buoys.

Q. Of the acetylene kind I mean?—A. That is one of the great improvements.

Q. Yes. But is there any other buoy to compete with that?—A. No, nothing.

Q. Not at all?—A. I do not know of any.

Q. In this country or elsewhere?—A. Or elsewhere, I do not know of anything. There is the Pintsch system of gas, but it has not the brilliancy, you cannot see it the same distance. We have a haze, a natural haze off the water here that acetylene penetrates, but which the Pintsch gas does not.

Q. Then do I understand you to say that for efficiency and force the Willson buoy in your opinion has practically no rival?—A. No rival.

Q. You go that far?—A. I go that far.

Q. A very strong statement?—A. Well, I have seen and heard most, and I have read up this lighthouse report in Great Britain, and I think I am safe in saying it.

Q. You do not say so?—A. Yes.

Q. Then comment has been made as to the necessity of the change to acetylene. What is your opinion upon that?—A. Well, it is an improvement. The government were spending money, and I think they ought to have the best and the latest devices, and they have it now.

Q. What I meant to ask you was, was it necessary or was it not?—A. No doubt of it.

Q. No doubt of it?—A. No doubt of it.

Q. And if not made, what probable consequences or ill-effects might arise?—A. It amounts to this, that the shipping companies could not compete with United States ports, with the competition that we have from there. Take, for instance, this year: We have nearly 3,000,000 bushels of grain more this year, and why is that so? It is because the shipping companies are able to compete with United States ports. That is up to August 15.

By Hon. Mr. Cassels:

Q. Is there nothing about the railway rates being lower than the water rates?—A. Well, that may have accounted, but we could not of course have got that traffic if we had not ships here to carry it, an outlet.

By Mr. Watson :

Well, the railways could have carried it, could they not, equally well?—A. To New York? The rates would have killed it.

Hon. Mr. CASSELS.—The increased rate of freight from Montreal to Quebec, I suppose?

Mr. WATSON.—Yes, my lord.

Q. And in consequence of these matters was any recommendation made by the shipping interests?—A. Yes. We made recommendations from time to time, and I have—if I may be permitted—I have found here what was presented to the department. May I submit it to his lordship?

Q. Yes. What is it? Will you refer to it and state the gist of it?—A. This is the second annual report of 1906 of improvements to lights, buoys, fog-signals and other aids to navigation which were advocated by the Shipping Federation of Canada during the season 1905 and 1906, and also of the present condition of the improvements authorized, included in the Federation's report for 1904-5, that have been carried out by the Department of Marine and Fisheries. Then the different courses of navigation, commencing at the Belle Isle route and going from Cape Race and the New Brunswick coast to Quebec and from Quebec to Montreal, and we give the present condition of the improvements as reported to us from 1904, which is practically the year we commenced.

Q. Yes. Now, do those improvements extend to all the chief waterways?—A. Yes, I might say from Belle Isle to Cape Cod or a little this side of the United States and right up to Montreal. We draw the line at Montreal; inland questions of aids to navigation we have never touched, but that has been advocated, I may say, by the Marine Association, the Lake Association.

Q. Yes; that is by the Lake Association?—A. Yes.

Q. And about when were these reports finally made, consummated?—A. Well, they, were made after the different shipping companies met here in conference in 1904.

Q. 1904?—A. Yes. This is a copy that I happened to have in my file. These are the opinions of each company before the report was forwarded to the Department of Marine and Fisheries.

Q. Indeed.—A. That is the opinion of each company, the members of the Shipping Federation.

Q. Well, that is a matter of interesting record. No doubt it may be put upon the file, my lord?

(Marked Exhibit 51.)

WITNESS.—I may say there is no case I know of where the individual interest was considered. The committee of the Federation is composed of the respective shipping firms who elect the president and the chairman, and questions such as that are generally carried unanimously. If they are not unanimous, they are held over until they agree to some arrangement.

Q. Then when was this given effect to at the earliest by the government or the department?—A. It is going on yet, and will be going on, I think, for another year or so or two years.

Q. When did it commence?—A. It commenced about 1904.

Q. And do I understand the improvements have been continuing during that time and are not yet complete?—A. Yes, they are not yet complete. This report here shows the progress up to June, 1908, this one.

Q. Thank you. This is a report of the Shipping Federation?—A. Yes. That was given to our members to let them see exactly what is doing.

Q. Yes. This is assumed to cover the condition as it existed at that time?—A. Yes.

Q. And improvements as they progressed?—A. As they progressed, yes.

Q. And those approved of?—A. By the Council of the Federation.

Q. By the board?—A. By the board.

By Hon. Mr. Cassels :

Q. Who prepares that ?—A. I prepare it, sir.

Q. You prepare it ?—A. From the records.

Q. And then submit it to the board ?—A. And then submit it to the board. I have no authority, I may say, to do anything; I have to act directly under the board.

By Mr. Watson :

Q. Under the board?—A. Yes. The only question I have to deal with is in regard to defects in navigation.

(Report marked Exhibit 52.)

By Hon. Mr. Cassels :

Q. I apprehend that report is a report as to things that have been done ?—A. And the progress of the work.

Q. What is there to approve of, the rate of progress ?—A. We simply let them see what the government is carrying out, the original programme.

Q. The government is doing it and your people are quite satisfied. That is what it comes to ?—A. Yes. We are watching to see if the work is progressing. If it was not progressing a deputation would go to Ottawa and visit the premier and the Minister of Marine.

Q. That is simply a report showing the progress with which you are all satisfied ?—A. Yes.

By Mr. Watson :

Q. Then who compose that board ?—A. At present ? I have a list of the officers here.

Q. I would just like to know ?—A. Mr. Hugh Allan is the president, Mr. James Thom—

Q. Who is it ?—A. Mr. James Thom is chairman of the executive committee, Mr. J. R. Binning is the treasurer.

Q. Mr. Hugh A. Allan is president, Mr. James Thom is chairman of the executive council and Mr. Binning is Treasurer. The executive council, I see, consists of Mr. Allan, Mr. Binning, Mr. D. W. Campbell, Mr. W. R. Eakin, Mr. R. W. Reford, Mr. Thom and Mr. F. L. Wanklyn.

By Hon. Mr. Cassels :

Q. They are representatives of the different shipping lines ?—A. Yes, they are elected at the annual meeting.

By Mr. Watson :

Q. What you have given to me now is the fifth annual report of this—?—A. Federation

Q. To December 31, 1907 ?—A. Yes.

Q. And does this report bear upon these matters ?—A. All these matters.

Q. Then I would like, with your permission, to retain this ?—A. Well, there is no objecting to it.

(Marked Exhibit 53.)

Q. Then these improvements, I understand, were commenced in 1904 and have steadily progressed from that time forward ?—A. Yes.

Q. And it has been said, and quite correctly, that the improvements have involved a very large expenditure of money ?—A. No doubt of that.

Q. A subject of some criticism and comment as to the amount. Have you any practical knowledge as to this expenditure and the application of it ?—A. No, I could not give any opinion on it.

Q. You could not give any opinion ?—A. No.

Q. It does not come within your duties at all to make observations in regard to that?—A. No, no.

Q. I see. Is there any one connected with your board or association who would be in a position to make observations as to that?—A. Not as to the prices of the fixing or the construction of any of that work; that would be an engineer's business.

Q. There is not any engineer connected with your federation who takes an active part?—A. No; but I may say generally the cost of the arrangement was considered by the Lighthouse Board, and we got an idea what it was costing from the Lighthouse Board. If the cost was going to be excessive very often the members thought twice before they asked for it. If they thought it was going to cost the government too much money many things were rejected which were not asked for.

Q. Yes. That meets the question I had in mind as to whether or not when these improvements were recommended you had any information as to the cost that would be involved?—A. Yes; we generally got that from the Lighthouse Board.

Q. Oh, you had it in hand before?—A. Yes.

Q. Did you find it?—A. That was only where there was excessive expenditure. Small things, such as a range light or a buoy, we never asked; the matter was left entirely to the department.

By Hon. Mr. Cassels:

Q. Do you know what the lighthouses cost?—A. No.

Q. Have you any idea?—A. No. They are all different, your lordship, there are not two lighthouses alike.

Q. Well, take Matane lighthouse. Have you any information what that cost?—A. No. It depends on the structure.

Q. We know what the cost of the structure is because it is in evidence.

By Mr. Watson:

Q. You have not any practical knowledge?—A. No.

Q. You are not able then to express an opinion in a practical way as to what would be a fair and proper cost?—A. No.

Q. Is there any one connected with your federation from a business standpoint able to express such an opinion?—A. No, there is no engineer connected with the federation.

Q. Then let me ask you: At the time your board recommended the change to acetylene and the acquiring of the Willson buoys, had you or the board information as to the prices?—A. No.

Q. Which these buoys were being purchased for?—A. No information.

Q. No information?—A. No.

Q. I see. Didn't it come to the knowledge of any of you?—A. No.

Q. Now, it has turned out as a matter of record in fact, and in evidence before his lordship, that the cost of these buoys is very considerable, from \$1,200 or \$1,500 up to \$4,000 or \$5,000 each, varying according to the size and power. How does that strike you?—A. Well, of course it is a new idea and there is not a big sale for the buoys. I quite expect they have got to charge an excessive price for the first lot, but the price will as the sale increases reach a level.

Q. What do you mean by that?—A. Well, the sales will still increase. The sale at first for those buoys was very limited.

Q. But you do not expect the sales to continue in Canada as they have done in the past, do you?—A. I beg your pardon?

Q. You do not expect a continuation of such expenditure for each year, do you?—A. Hardly.

Q. What would be the life of a buoy?—A. I think it is about ten years.

Q. However, your view is that the introduction and use of these and the adoption of them at other places as well will necessarily bring the price to a proper level?—A. No doubt of it.

Q. It strikes me at the present time that the prices are very excessive?

Hon. Mr. CASSELS.—You mean it will bring them to a lower level?

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—We have not yet analysed the Willson buoy to know whether the charge is proper or not.

Mr. WATSON.—Yes, my lord, I stand corrected, although I must say I formed the impression myself that the prices were somewhat excessive.

Hon. Mr. CASSELS.—The fog signal we know a little about.

Mr. WATSON.—Yes, my lord. It may be, of course, that on the further hearing at Ottawa, when Mr. Willson will have a further opportunity of giving evidence, he may satisfy your lordship that the prices are all right. I think myself he will have a pretty hard time doing it, but it may be possible.

Hon. Mr. CASSELS.—I only meant to correct the term, as the matter is left open entirely.

Mr. WATSON.—Yes, my lord. I quite understand that is an open matter.

Q. Then, that is the condition of affairs, and by reason of these changes and improvements, how do the waterways of Canada that you have referred to, compare now with the waterways of other nations to your knowledge?—A. Well, I might quote from Captain Wade, who is the representative of the Mercantile Marine Association, representing 3,000 shipping masters who trade to all parts of the world, Canada included. He refers to the lighting of Canadian waters in a report before a royal commission on lighthouse administration in Great Britain.

Q. Yes.—A. 'Well, that has always been the case, the United States and the Canadian governments in matters of invention have always been before us. They brought out the whistling buoy and the lighted buoy and all sorts of things before we thought of them.'

Q. Before they thought of them?—A. Yes. That is in Great Britain. Of course, everything is antiquated there.

Q. Did you say antiquated?—A. Yes, according to these lighting appliances, and we are much ahead of them.

Q. Will you let me see it, what is the date of this report?—A. It is printed in 1908. I think the commission was held in the fall of last year.

Q. What page were you looking at there?—A. I have it marked here, page 145.

Q. That is the reference to these matters. And are there any other matters that are of interest? I see a reference there to the diaphone.—A. Yes. That is a great improvement, and these witnesses all seem to speak of it.

Q. That is this Canadian fog signal?—A. Yes.

Q. Have you any personal knowledge as to the use of that?—A. I have never even seen it; I have heard it.

Q. You have heard it?—A. Yes; but I have never seen that erected.

Q. You mean you have been near by where one was placed?—A. In hearing distance of it.

Q. What do you mean by hearing distance?—A. Passing in a steamer.

Q. How far off can it be heard, do you know?—A. I should say six or ten according to the condition of the atmosphere.

Hon. Mr. CASSELS.—It would depend on climatic conditions.

By Mr. Watson:

Q. Six or ten what?—A. Miles, and sometimes you won't hear it—

Hon. Mr. CASSELS.—You would hear it a great many more miles on a foggy day.

Mr. WATSON.—Yes.

Q. Now, these signals were introduced at considerable cost?—A. Yes.

Q. Have you any knowledge of the cost of them?—A. Only from reports. From reports received from different ship masters they all speak well of them.

Q. Was that a matter considered by your board?—A. Yes, it was, we asked for them.

Q. Did your board ask for the introduction of these signals, the diaphones?—A. Yes, I believe so.

Q. And do you know of any competition in the production and sale of these?—A. No.

Q. You do not?—A. No. We have never had any interest with the suppliers of anything.

Q. Then I see in this report, from Liverpool I think it is or London, references are made to these diaphones as well as to the buoys and other matters of interest?—A. Yes.

Mr. WATSON.—Then I will keep that on record, if Your Lordship pleases.

(Copy of evidence taken before the Royal Commission on Lighthouse Administration, marked Exhibit 54.)

By Hon. Mr. Cassels:

Q. Those diaphones prove a guide in foggy weather as well as a warning to vessels?—A. Yes; they hear the direction of every sound.

Q. So it enables them to go through the fog?—A. Coming up from the Saguenay you can hear the sound of one lighthouse which will carry you to the other one.

By Mr. Watson:

Q. Those fog signals cost a considerable amount, the diaphones?—A. Yes.

Q. I understand you have no practical knowledge as to the proper selling value of those?—A. No. I suppose they are patented, are they not?

Q. Oh, yes. Then I understand from you that as the result of this the condition of our waterways compares very favourably indeed with that in any other country?—A. I should say we have the finest lighted waterway in the world.

Q. I beg your pardon?—A. We have the finest lighted waterway in the world.

Q. Indeed?—A. And from the opinion recently of one of the shipmasters, his remarks to me were that the St. Lawrence between Sorel and Montreal was like the Strand in London.

Q. And you venture to express an opinion, which is a very strong one, that it is the finest waterway in the world?—A. Yes.

Q. That is saying much for Canada?—A. And as far as the dredging and the work in connection with the river, it has astonished me to see the small sum that has been expended. I think, speaking in round numbers, it is only ten million dollars. If you take such figures as those of the Manchester ship canal of forty miles, you read that it cost £20,000,000 for that forty-mile canal. Here we have sixty miles of cutting, and the money has been well spent.

Q. That is your opinion?—A. In my opinion.

Q. Of course, conditions may quite materially differ in this canal and the one at Manchester?—A. They may, but I think that opinion is borne out by Sir William White, one of our eminent engineers and chief naval constructor. When he was out in Canada a few years ago, he was surprised to see work done for such small expenditure, engineering work.

Q. I see. Then what has been the result in a practical way so far as the volume and extent of business is concerned and other advantages?—A. Business has increased and shipping has increased, and the insurance rates have gone down.

Q. To what extent has the business and shipping increased?—A. Well, I think you would get that in the Trade and Navigation Report.

Q. Yes. That has been very materially increased. I understand?—A. Very materially increased.

Q. And do you say that is attributable to the improvements in the channel?—A. There is no question that it is entirely due to the improvements and the money that has been spent by the government improving the waterways and lighting up this channel.

Q. Do you mean that otherwise that increase would not have occurred?—A. Otherwise we would not have been in existence, we would have been out of existence, we would have been out of the place altogether, so far as cargo is concerned; we might have been here for passengers.

Q. It is pretty hard to drive Canadians out of a hold they have. However, that is your opinion about it?—A. They need to ship to the Vancouver coast.

By Hon. Mr. Cassels:

Q. Have you any statistics of the number of vessels wrecked here from year to year coming out?—A. I have, your lordship, but we have always kept these things as quiet as possible.

By Mr. Watson:

Q. Let his lordship know?—A. I have not that with me. I will have it made and will send it in.

By Hon. Mr. Cassels:

Q. Beginning with these improvements?—A. Yes. Take such a case as the *Bavarian*; that was an unfortunate thing nothing could have prevented, and that hurt us considerably.

By Mr. Watson:

Q. Can you speak in a general way now before the preparation of it?—A. No.

Q. You would rather be in a position to speak accurately in the first instance?—A. Yes.

Q. Quite right. But you say there has been material betterment in that way?—A. There is no question. With your permission I might give you a summary of the average insurance rates since 1900. We date all our things back from the shipping inquiry, that was the standard taken at that time. At that time the average rate on provisions and merchandise was 84½ cents, on grain it was 99 cents. In 1907 it comes down to 38 cents on provisions and merchandise, on grain 38 cents.

Q. 38 cents?—A. Yes. Showing a reduction of 46 cents on provisions and merchandise, that is per hundred.

By Hon. Mr. Cassels:

Q. 46 cents on a hundred?—A. Yes. That is a thing that affects every one; it affects the farmers and every one in that way.

Q. You are not on the hustings, Mr. Robb. (Witness laughs.)

By Mr. Watson:

Q. I have asked you here in your capacity as secretary of this shipping interest.—A. Yes. Then might I refer to another question, that of the hulls of vessels.

Q. Yes. Hull?—A. Hulls, engines, boilers and machinery.

Q. Yes. Just a moment before we leave that question of insurance. To what extent can you say has there been a saving, have you made a memorandum of the amount?—A. No, I did not do that. That can easily be got at if you take the trade and navigation export figures from the Department of Trade and Commerce.

Q. Will you be good enough to make a memorandum?—A. Yes. Mr. O'Hara can figure it.

Q. Will you produce the memorandum to-morrow morning?—A. I will have to get the figures from Ottawa. I can let you have them on Monday.

Q. Tuesday morning?—A. I will have it ready then.

Q. Together with the information his lordship spoke about as to wrecks?—A. Yes.

Q. I would like to know how this sums up a saving in matters of insurance, the total amount. Mr. Allan, I think yesterday, spoke of something in the neighbourhood of \$250,000 a year?—A. I should say double that.

Q. You would indeed ?—A. Yes. I should say it is much more.

Q. You would say in your opinion it amounts to half a million dollars a year saving ?—A. Yes.

Q. In what is paid for instance ?—A. Yes; on provisions, not dealing with the hulls.

Q. Yes. Who gets the benefit of that ?—A. The hulls of the vessels ?

Q. No, no. This saving of premiums on insurance ?—A. Every one does generally, the whole country gets the benefit of that.

Q. The consumers, or is that a saving to the shipping interest ?—A. The consumer, the producer; the owner gets no benefit from those rates; that is entirely the merchant and the producer and the consumer.

Q. You mean then to express the opinion, as I understand you, that the producer and the consumer get the benefit of a saving of half a million dollars each year ?—A. Yes.

Q. In insurance rates alone by reason of these improvements ?

By Hon. Mr. Cassels:

Q. I do not think he means the consumer. What you mean is the farmer would get a higher price for his grain ?—A. Yes. If you trace it right back every one gets a benefit.

Q. It is obvious.—A. It is obvious.

By Mr. Watson :

Q. Not merely the one who sells, but the one who purchases as well ?—A. Yes.

Q. Then you were speaking of the other matter you had in mind, hulls ?—A. Yes.

Q. What have you to say ?—A. I take hulls. Take the Elder-Dempster Steamship Company, Mr. Campbell was kind enough to give me these figures. To December 11, 1906. The rate then was £8 2s. per cent.

By Hon. Mr. Cassels :

Q. Eight pounds two shillings ?—A. Per hundred pounds.

Q. What would that insurance cover ?—A. Against total loss.

Q. From where to where ?—A. Certain limits. That would be from Cape Cod, I think, to—

Q. Is that a yearly rate ?—A. Yes—I beg pardon?

Q. A yearly rate ?—A. Yes; and that is per 100 pounds, according to the insured value of the vessel. Well, in 1906 the rate on the same vessels was £5 7s. 8d.

By Mr. Watson:

Q. That has lessened three pounds ?—A. Yes. To be correct, £2 14s. 4d.

Q. Yes, nearly three pounds.—A. That is taking one line. Then, of course, the underwriters are very sensitive. All lines might not have got the benefit of that. They take action to cover themselves. If there is a loss up goes the rate; if there is none it comes down. If they lose money up goes the rate, they have the money out of you; if they make a profit, down goes the rate. They are very sensitive. That might not affect all lines. I explain it only deals with one.

Q. Now, have you any other information that you can give to his lordship ?—A. There are different matters that arise in connection with defects from day to day. A system was introduced by Colonel Gourdeau, I think it ought to be mentioned.

Q. What have you to say ?—A. I may say in 1904 we had 65 of these different defects reported, and in 1907 they were reduced to 47. Colonel Gourdeau's idea in organizing this was to allow of the department being kept in touch with the different breakdowns in the lighthouse service, and we undertook to see that each shipmaster coming up and down the St. Lawrence handed in these reports. I think they were attended to by telegrams, and very promptly attended to. It is a system I might say that will be adopted in many other parts of the world.

Q. And what is this document you have handed to his lordship?—A. These are simply forms in use with regard to the breaking of buoys. For instance a buoy may break down. Well, the shipmaster coming out marks it in that, and sends it in to the shipping company, and the department are notified.

Q. These are in use by the department?—A. By the shipping companies, and they notify the department. That system was organized by Colonel Gourdeau, and has been found to work smoothly and well. If a light or lighthouse break down the shipmaster passing reports it at once to the department and gives them a chance to hold an inquiry.

Q. This was apparently adopted in 1904?—A. Yes.

Q. During the time Mr. Préfontaine was the minister of the department?—A. Yes.

Q. And been continued since then?—A. Yes, been continued since then. Of course there is another matter I might mention, that is the pilotage service. I may say it was a bone of contention with the underwriters of 1900. The department have taken charge of that service, and have disciplined the pilots, and we have now as fine a body of men between Montreal and Quebec as we would wish for, men in whom the shipping companies have every confidence, and if you refer to the report of the Royal Commission in 1897, or 1898 it is dated, you will see the satisfactory condition the pilotage service was in then. Colonel Gourdeau was chairman of that committee, and deserved credit for the manner in which he has organized the pilotage system between Montreal and Quebec.

By Hon. Mr. Cassels:

Q. Was that by education of the pilots?—A. Well, by disciplining them. They have control of them. We had inebriety amongst them. That has been stamped out. Where a case has been reported the man has been dismissed, and they are entirely free from political influence. That is what we put it down to, although we have not been able to get the same result with the pilotage service below Quebec.

Q. Do you take them in the order on the list?—A. No, certain pilots are allotted to each line. Then there is a supplementary list. They get the outside vessels in rotation, but the Allan and Dominion lines have their own pilots, appointed at the beginning of the year, and shipping companies all speak well now of the pilots. A few years ago they were looked upon with discredit.

By Mr. Watson:

Q. They are appointed by the department?—A. Yes, the department has had full control since 1903.

Q. Before that under what direction were they?—A. They were under the Harbour Commissioners. I do not need to say anything further about that.

Q. That conveyed, apparently to your mind, considerable?—A. Yes.

Q. At all events, the change was made from the Harbour Commissioners?—A. Yes.

Q. You speak of the Harbour Commissioners—where?—A. Montreal.

Q. From the Harbour Commissioners to the Marine Department?—A. Yes.

Q. And you say that has been of very great advantage?—A. It has; and the department deserve the greatest credit for the manner in which they have handled it.

Q. And that change was made in 1903?—A. In 1903. It would take place in the beginning of 1904.

Q. And continued from that time forward?—A. Yes.

Q. That is quite important. I should like to be allowed to keep this document, if you please?—A. Certainly. (Document filed, Exhibit 55.) I may also say, your lordship, that we have many other matters that we have had to deal with the Department of Marine and Fisheries in regard to. I think the Canada Shipping Acts have nearly a thousand sections in them, and we have had many times to deal with them,

and where the sections affected us, whether rightly or wrongly, we have always found we have been treated promptly and in a businesslike manner. We have had questions in connection with steamboat inspections, rules and regulations for navigating the different waters, and we have found they have always been promptly dealt with. Where an amendment was necessary it has always been made.

Q. I judge from what you say, that there is an immense amount of detail work in connection with the administration?—A. Tremendous and, speaking as an outsider, I might say there has been a tremendous amount of work thrown on that department since my entry into the field, since 1903. There was the ship channel; they had to organize that. Previous to 1903, we had to find the hard places in the St. Lawrence with the bottoms of ships, and when Colonel Gourdeau's department took the matter over, we were advised where the hard spots in the river were, and to what space we could load our ships, but we can see the difference now. Before that it was for the engineers and the rules and regulations governing the navigation. That has been done by the department, and there are the different Shipping Acts, and also the Merchants' Shipping Act, which also practically applies to ocean vessels.

Hon. Mr. CASSELS.—I have let in a great deal of evidence, because I think it is only fair it should go in after the strictures which have been made, but at the same time I have nothing to do with this. I am simply concerned with one thing: if I find there is a great waste of money—I mean not from the sense of the government action, but over payments of money—then I have to inquire why and wherefore. As to the system of lighting, the channel I have nothing to do with it.

Mr. WATSON.—I understand as far as the matter of the system or policy of the government is concerned, your lordship does not consider that within the line of the commission at all.

Hon. Mr. CASSELS.—No. We have let in a lot of evidence because there are these matters that have been commented on, and it becomes material on the question of the Willson matter and so on.

Mr. WATSON.—These matters have been dealt with by the Civil Service Commissioners as a matter of criticism of the purpose or motive or intention of the party.

Hon. Mr. CASSELS.—Yes, and it is for that reason I have allowed the evidence in, but it is not worth while wasting much time with it.

By Mr. Watson:

Q. In connection with the administration of the work of the department, and by the officials you come more or less into contact with officials?—A. I do.

Q. Have you any knowledge of any misconduct, or lack or want of conscience in the performance of their duties?—A. None whatever.

Q. On the part of any one?—A. Oh, no official. I have a very high opinion of the prompt manner in which different matters that have come up have been dealt with.

Q. Can you give to his lordship any information you have obtained affecting the matter of the integrity and honesty of any of the officials?—A. I have met none of the officials socially, outside of business, but the different matters I have had to deal with have been promptly and well and fairly dealt with.

Q. Have you any knowledge of anything wrong or dishonest on their part?—A. Nothing, no thought of it.

By Mr. Godfrey:

Q. You have had occasion to note the work of Mr. J. F. Fraser in connection with the aids to navigation on the St. Lawrence?—A. Yes, I have come in contact with Fraser several times.

Q. And what hand has Mr. Fraser had in increasing these navigation facilities?—A. So far I have found Fraser has shown great enterprise in always trying to introduce the best and most improved aids to navigation.

Q. What do you say as to his efficiency?—A. I say he is a most competent and efficient official, and a good engineer.

Q. It has been suggested that Mr. Fraser has been endeavouring to help the Willson buoy, by ordering a great many more buoys than were necessary. What do you say as to that?—A. I have never heard Mr. Fraser mention the Willson buoy as a buoy, nor use Willson's name, nor have I ever met Willson with Fraser.

Q. Has there been any buoy placed on the St. Lawrence route which was not absolutely necessary?—A. Not one.

Q. They were all necessary?—A. Every one.

Q. Has any money been spent that was not necessary?—A. Not as far as I was aware.

Q. The improvements were all necessary?—A. No question of that. We can trace everything to some result.

Q. Has there been a decrease of rates? Have the insurance rates gone down?—A. Yes.

Q. And the public gets the benefit of that?—A. No doubt.

Mr. WATSON.—Mr. Andrew Allan is present and would like to be heard. I should, therefore, like to call him.

ANDREW ALLAN sworn.

By Mr. Watson:

Q. Have you had occasion to observe the report of the Civil Service Commissioners?—A. Yes.

Q. Made last year?—A. Yes.

Q. And the comments of those gentlemen as affecting the administration of the department?—A. Yes.

Q. And it has perhaps been more than hinted at by them that there has been a grossly excessive and unnecessary expenditure more or less in the interest of individuals or particular corporations, and your company, amongst some others, has been referred to?—A. Yes, I believe so.

Q. What have you to say? What knowledge have you in regard to it, and what have you to say? I should be glad to hear you.—A. Well, do you mean as regards our company.

Q. Yes?—A. Our company has only benefited in the same way as any other steamship line coming into the St. Lawrence. We have no special benefit. My brother, Hugh Allan, was asked to become a member of the Lighthouse Board, for reasons which, I suppose, were just and right, and he has been a member since it came into force. His suggestions, along with the other members of the board, are carried out from experience, from inquiries, and any other steamship line that comes here has received the same benefit as we have. We have no extra benefits beyond other persons. I think a tramp steamer coming into the St. Lawrence for the first time just receives the same treatment as we do. I do not think any person that knows the St. Lawrence route as between Canadian and foreign countries, would make such a statement. On the face of it, it does not hold water.

Q. No warrant or foundation for it?—A. Absolutely none.

Q. Then you have no knowledge of any preference or advantage to individuals or corporations or companies?—A. No.

Q. And as to the expenditure, it has been stated that that has been grossly excessive, improvements not demanded, not necessary, money unnecessarily expended for changes and improvements. You, no doubt, have a personal knowledge of the condition of affairs?—A. I have.

Q. What would you be pleased to say about it to his lordship?—A. Well, the improvements to the St. Lawrence have been absolutely necessary. The St. Lawrence

will still bear some improvement, and I do not think that there is a month passes in the year that we are not asked by some of the pilots, to suggest through the Shipping Federation, to the department, some improvement. I think that the work that has been done has been done in a very conscientious, straightforward and honourable manner. I think it was necessary to the trade of Canada. I am quite sure, if my knowledge is worth anything, that we could never have had the class of steamers coming to Montreal that do come here had it not been for the action of the Department of Marine and Fisheries in providing the aids to navigation that exist to-day. We can despatch a steamer of 12,000 tons from Quebec at night, and she can arrive in the port of Montreal the following morning, and that has been done. Previous to these aids to navigation in the way of gas buoys and leading lights, such a thing was quite impossible. That in itself is a very great benefit, and I think that anybody that knows anything about it—I have been up and down the river St. Lawrence many hundreds of times; I do not say that I could navigate a ship, but I know it very well, and I think it was one of the greatest things Canada has ever had, and I think the men that have carried out the work deserve great credit, for I believe they have carried it out to the best of their ability.

Q. These improvements then, you think, have been to the great advantage of Canada?—A. I know it.

Q. Not merely advantage to the shipping owners or proprietors?—A. Well, what benefits the shipping owners or proprietors in that way must benefit the country. Perhaps you would be as good a judge of that as I would.

Q. The country would get the benefit of it?—A. Yes.

Q. Have you any knowledge of the expenditure, the manner of expenditure and the amount of it? You have some, of course?—A. Well, on some occasions when it has been impossible for my brother to attend the meetings of the Lighthouse Board, I have taken his place, and I have attended some of the meetings, and in that way I have some knowledge of the amount of money that has been expended.

Q. Then, on such occasions has the amount of the expenditure been a subject of consideration by the board?—A. Certainly, deep consideration, and been discussed, each item as it came up.

Q. Then the board, of course, as I understand, has considered and then made its recommendations to the minister of the department?—A. That is all it had the power to do.

Q. Then in that consideration, and in the recommendation, has it been present to you and to the board, the amount of money that would be expended and would be called for?—A. The chief engineer and his assistant, if there were any there, were always asked, if my memory is correct; supposing we were asked for a light at a given point, one of the first questions that was asked of the chief engineer was what it would cost, then that was discussed, and on several occasions we have tried to provide a less expensive light, having in our minds the cost, than the one that was originally intended; so that that proves in itself that the matter of cost has always—at least not always, because I have not attended them all, but any time I have been there it has received due consideration.

Q. The economic reasons or grounds, then, I understand from you, have not been eliminated, but on the other hand, have been taken into consideration?—A. Certainly.

Q. And these changes we have heard in evidence here, which his lordship has heard, were practically introduced in the early part of 1904, and carried on from that time forward?—A. Well, I would not be quite sure about dates.

Q. And as a result of all this, how does the condition of the shipping ways and channels, highways and waterways, now compare with those of other countries? Speaking from your personal knowledge?—A. Well, it is a very difficult thing to make comparison of a river that is, if my memory is right, about 170 miles from here to Quebec, and about 160 miles from Quebec to Rimouski, with a river like the Thames or the Mersey, because their distances are so short. It is a difficult

thing to make comparison with those short distances, but I have heard it stated a short time ago by a prominent engineer from England, that this was one of the greatest works he had ever seen.

Q. Would you mind mentioning the name?—A. I would rather not. I do not want to bring him in. There is no particular reason why I should not, but I would rather not.

Q. And that agrees with your own view?—A. It does.

Q. The change was made to the acetylene buoy? The introduction of the Willson buoy; you have had knowledge of that?—A. Yes, sir.

Q. And of the adoption of those, and the subsequent use of them?—A. Yes.

Q. It was stated by a member of the Lighthouse Board, the engineer, whom you know, that in his opinion that change was made for the purpose of assisting the Willson Company, and that there was a promotion of that on the part of the board and others interested. Can you speak of these matters?—A. No, I never heard of that before this moment.

Q. What would you say, in your opinion, of that, as a practical business man, having knowledge of the condition of affairs before and after?—A. The only knowledge I have is that as far as I have been able to judge the acetylene gas buoy is the best gas buoy that is available at the present time, and I do not think the best is any too good. The great danger in supplying these aids to navigation is that they may not exist at a time when they are most required, and, therefore, it is of the utmost importance in my opinion, that the very best gas buoy should be had, the most reliable gas buoy you can have, should be there.

Q. And were there any defects or ill consequences that existed by reason of the use of the buoys theretofore?—A. I do not know that.

Q. You do not speak then by way of comparing the use of the buoys?—A. No.

Q. But your opinion is that, undoubtedly, the best is not too good, whatever it may be?—A. I am sure of that. I have been on one occasion, to Mr. Willson's establishment in Ottawa, and he has shown me different classes of light, and I do not know but that was a very good test of the thing, but it seemed to me that that was about as good a light as you could possibly get.

Q. You know of the use of the diaphone signal?—A. Yes.

Q. Fog signals?—A. Yes.

Q. Have you any practical knowledge of these by way of comparison with others?—A. No, I have not.

Q. The adoption of those at the amount that has been expended and required, has also been the subject of criticism, having regard to the amount paid—A. I have not any idea as to cost.

Q. But as to the necessity of the use of the diaphone, and the advantages of that, can you express an opinion?—A. No, I think a navigator is about the only man who could express an opinion.

Q. Then in your business, or rather the business of your company, you are brought more or less into pretty close contact with the Marine and Fisheries Department?—A. Yes.

Q. Will you let me ask you if you have ever known or heard through your own officers or employees or otherwise of any ill-conduct or misconduct or want of integrity, on the part of any of the officials in their business transactions?—A. I never have. I have known most of them for a great many years and I have always found them very straightforward, doing their work to the best of their ability.

Q. Such a matter as the making of a request for the taking of commission, or so-called rake-offs, or matters of that kind?—A. Oh, no.

Q. Have you any information as to that, hearsay or otherwise?—A. None whatever.

Q. I assume you would not have any personal knowledge, and every one would assume that you would not have any personal knowledge, but I mean to say by way of hearsay of any such matters?—A. No.

By Mr. Godfrey :

Q. You know J. F. Fraser, Commissioner of Lights ?—A. Yes.

Q. Have you had an opportunity of seeing him in the performance of his duty ?—A. Yes.

Q. What do you say as to his ability, and the way he has performed his work in connection with the St. Lawrence river ?—A. From the knowledge I have of Mr. Fraser I consider him quite capable, and so far as I know he has done his work in a thoroughly straightforward way.

Q. And are there any Willson buoys on the St. Lawrence route that should not be there ?—A. No, none whatever; in fact I have a letter lying on my desk asking for one more at the present time, from a pilot.

Q. You suppose that will continue for some time yet ?—A. Only at points where they are absolutely necessary.

Q. Yes.—A. I think the pilots that take an interest in this route are the ones that know most as to where the buoys are required, and I think that the others—well they do not ask for any.

Q. In any event there are no unnecessary buoys on the route ?—A. Well, not as far as my knowledge goes. I am not a navigator, but I say not as far as my knowledge goes.

FREDERICK WILLIAM COWIE, sworn.

By Mr. Watson :

Q. You are an official of the department ?—A. No, not now, I was.

Q. When did you cease to be ?—A. In July.

Q. Of this year ?—A. 1900.

Q. And what was your office or position ?—A. Up to that time I was superintending engineer of the River St. Lawrence Ship Channel.

Q. Where was your office or location ?—A. In Ottawa.

Q. How long had you been in that position about ?—A. Well, in that exact position since 1904, and I have been connected with the ship channel for 23 years.

Q. In other positions ?—A. In other positions.

Q. I understand in July last you resigned your position ?—A. In February, 1907. I was given the appointment of chief engineer of the Harbour Commissioners with the permission of the Minister of Marine and Fisheries, occupying the two positions till they could make permanent provision. This year, 1898, as the work was getting too heavy, I resigned the Marine and Fisheries to give my full time to the Harbour Commissioners.

By Hon. Mr. Cassels :

Q. What is that Harbour Commission ?—A. The Montreal Harbour Commission.

Q. What is their sphere, I mean ?—A. They hold the harbour, which is the property of the government, in trust, and administer it.

Q. Is it limited to Montreal ?—A. To Montreal and the river down as far as Longue Pointe.

By Mr. Watson :

Q. That is government property, and the commissioners are appointed by the the government ?—A. It is controlled and administered by the commissioners.

Q. Not subject in any way to any one of the public departments ?—A. They receive their approval from the Marine and Fisheries Department.

Q. Does the work of the Harbour Commissioners come before the Minister of the Marine Department ?—A. For approval.

Q. For consideration and approval ?—A. Yes.

Q. Then the minister has a certain amount of responsibility in connection with that as well?—A. Yes.

By Hon. Mr. Cassels:

Q. Are the expenditures approved by the department?—A. No, the money is loaned by the government to the commission, and the commissioners regularly pay the interest on that money.

Q. Where do they get their funds from?—A. From tolls on goods.

By Mr. Watson:

Q. And in the matter of improvements and expenditure to the harbour and the works generally, that is controlled, I understand, by the commissioners?—A. Quite.

Q. And you are now the engineer of that board?—A. The chief engineer of that board.

Q. The change then is not by reason of any criticism or the acts of the Civil Service Commissioners?—A. No, I received the appointment in February, 1907.

Q. The annual expenditure in connection with the branch of which you are engineer in the department, was about how much?—A. Well, roughly, a million dollars a year.

Q. I have it here in the written record furnished me, \$1,113,000, about?—A. About that.

Q. That would be about accurate?—A. Yes.

Q. And what did your duties involve in connection with the St. Lawrence ship channel, when you were of the department proper?—A. I had quite a number of duties, they were all defined by my instructions of 1904, very completely and very well defined.

Q. And in a few years what did your duties consist of?—A. I can read it to you.

Q. Can you tell his lordship about what you had to do?—A. I had to recommend for the approval of the department the annual programme. On the receipt of instructions from the department I had to carry out—

By Hon. Mr. Cassels:

Q. What do you mean by the word programme?—A. The programme of the ship channel.

Q. The works to be done?—A. The works to be done, including the construction of plant and the work which was to be done each year, and also the project as a whole. When the instructions were given annually I had to arrange a programme, because I was not only the engineer, but I was the constructing engineer; we carry out the work departmentally.

By Mr. Watson:

Q. Will you specify the character of the work? What was it that was to be done? The St. Lawrence ship channel engineer is a pretty wide expression?—A. The work was to improve navigation, we had a channel to construct, to maintain, and we did it departmentally. We had no contractors.

Q. No contractors?—A. No. We have our own plant, and we not only design the work, but carry it out.

Q. So that the work was done by employees of the department?—A. Yes.

Q. By the day, week or month, as the case may be?—A. Yes.

By Hon. Mr. Cassels:

Q. Was that dredging the channel?—A. Yes, dredging was the principal part of the work.

Q. Lighthouses would not come within it?—A. When I had finished the channel I had recommended certain methods of lighting and buoying. I had nothing whatever to do with the actual carrying out of that work.

Q. But made recommendations only?—A. Yes.

By Mr. Watson:

Q. The government or the department has a certain fleet?—A. Quite a large fleet

Q. Consisting of how many steamers?—A. Nine large dredges, about 20 tugs, 4 coal barges, about 20 or 25 scows—I think that is about all.

Q. That is a pretty large fleet; all manned, of course?—A. Probably the most complete and extensive dredging outfit in the world.

By Hon. Mr. Cassels:

Q. That is a dredging fleet only?—A. Yes.

By Mr. Watson:

Q. You say the most perfect and most complete in the world?—A. I am quite ready to say that.

Q. That is going a long way.—A. I visited all the great works in a year, and I did not find in my visit an organization or plant to anything like equal it, and I did not find a dredge that would touch our work at Cap a la Roche.

Q. That is a criticism that might have affected the expenditure by the department.—A. We could not do it without expenditure.

Q. They might say, 'Why such a large fleet spoken of, as you say, as the best and most perfect in the world, why the necessity of that for Canada?'—A. I have been 23 years on the St. Lawrence, and one cannot live there without being impressed with that river as a route, and with its capability of improvement, probably my recommendations had something to do with this large expenditure, because I have never ceased to recommend that this channel be improved, and made capable of taking the biggest ships out. The aim is to make the channel with a capacity for ships and also to make it so that all ships can navigate up the river at night, so that they will not be delayed at all. The outward bound ships can sail at a stated time at daylight, and they have a day to go to Quebec, but in coming up they arrive at Quebec in the night or day, or any time, and our object is to have that so that ships are not delayed in coming up at all. Then the final object of the work is to make the season as long as possible, and we have already increased it from $6\frac{1}{2}$ months to $7\frac{1}{2}$ months each season, and we hope to make it 8.

Q. Why the importance of that?—A. Running at night?

Q. The enlarging of the season?—A. Every aid to navigation is an advantage to this route.

By Hon. Mr. Cassels:

Q. How is that kept open?—A. The principal way of prolonging the season was by making permanent piers for the lighthouses, and by having an ice-breaker which is capable of accompanying a ship in case the ice forms earlier than usual.

Q. To obviate the taking up of the buoys?—A. Not only to obviate taking them up, but to insure their being in their place if the ice is running. That is the reason we build piers of a permanent character.

By Mr. Watson:

Q. When did this largely increased expenditure for these improvements begin to be made?—A. The government approved of the 30 foot channel with the new standards of enlargement in 1900, possibly 1899; I think it was either 1899 or 1900.

Q. Was that the first step forward by way of improving materially?—A. That was the first advance. The work had been going on, but this was the first advance in the usual programme.

Q. Had it been a matter of any consideration theretofore?—A. Very serious consideration.

Q. The matter of complaint before that condition existed as it was?—A. The complaint was that navigation was not as good as it should be.

Q. But I understand you to say that no remedy or redress was afforded by the government until about 1900?—A. No.

Q. And from that time forward what has been done? What progress, if any, has been made?—A. We have a 30-foot channel from Montreal to the sea at the present time, with very great enlargements as regards width and straightness of channel, so much so that the result shows that ships are navigating freely, they come up at night, very rarely stop at night at all, and we are getting the trade.

Q. Increased trade?—A. Very greatly.

Q. Can you say in what proportion the increase has occurred?—A. This is a very bad year in New York, and all our competing ports, and we are doing the business.

Q. The business of what?—A. Of the great North Atlantic grain route.

Q. That is, as I understand you, the result of these improvements that have been made, commenced in 1900?—A. Very largely. Without those improvements it could not have resulted.

Q. It has involved a very large expenditure?—A. Not comparatively.

Q. You mean not excessive?—A. Compared with other works of a like nature, I think the expenditure has been very modest.

Q. Had you to do with the recommendation of the amount of the expenditure?—A. I had the recommendation of the programme for each year.

Q. That would involve the recommendation of the amount to be appropriated?—A. Yes.

Q. The programme would include that, would it?—A. Yes.

Q. How do you arrive at that in a word? I mean to say, would that involve going into all details and cost of items of expenditure, or did you run it out in a good round sum, or go into details?—A. No; in 1900 I estimated we could have a 30-foot channel completed in 10 years. That was the project adopted.

By Hon. Mr. Cassels :

Q. What was it before?—A. Before that it was 26 feet, and in our new programme, we not only widened from 300 to 450 feet, but we very greatly reduced the number of tangents, of curves, in the channel. For instance, there is a case in point between Varennes and Vercheres, a distance of 7 miles; there were formerly six different tangents; we cut that out and made it one tangent.

Q. That was done by dredging?—A. Yes. The work is not a new one; it has been carried off and on since 1847, but never in such a vigorous way as it has been done now.

By Mr. Watson :

Q. And since the time you have mentioned?—A. And never with such results.

Q. What do you mean by, never with such results?—A. We started in 1900, and we had the 30-foot channel opened last year.

By Hon. Mr. Cassels :

Q. Was that with a view to allowing larger vessels to come up?—A. Yes.

Q. Prior to 1900 was it large enough for the standard vessels?—A. Prior to that the standard vessel was 5,000; now it is 12,500.

Q. It became necessary to enlarge the channel as the standard became larger?—A. We have not been able to keep up with the standard.

Q. You have to increase your standard?—A. Yes. The vessels are waiting for us.

Q. In 1900 with a 26-foot channel you had ample?—A. Yes.

Q. But when the vessels get larger, you have to deepen it and strengthen it, and do a lot of other work?—A. Two years before we had the 30 foot channel completed we had ships here for it.

By Mr. Watson :

Q. In the same way, up to 1900, was there much demand for an increase?—A. The ships were limited to the capacity of the channel.

By Hon. Mr. Cassels :

Q. Take the year 1900, for instance; take the St. Lawrence of 1900; what was the tonnage of the vessels going to New York?—A. Twenty years ago the ships that went to New York were the ships of the same size as are in Montreal to-day.

By Mr. Watson :

Q. Up to 1900 were we not very far behind?—A. Yes, and we are still behind very much.

Q. But at that time, apparently, we were much more behind?—A. Yes.

Q. How much are you behind yet?—A. Our ships are 12,500 tons, and the New York ships are now up to the *Lusitania* and the *Mauretania*.

By Hon. Mr. Cassels :

Q. Twenty-seven thousand tons?—A. Yes.

By Mr. Watson :

Q. Do you seek to prepare the St. Lawrence channel for the *Mauretania* and the *Lusitania*?—A. I hope in twenty years from now we will have ships of that size.

Q. You are a progressive gentleman of a national spirit, no doubt?—A. We have proved it up to the present time.

Q. And that, you think, is the policy you have been endeavouring to promote on the part of the Marine Department?—A. As I said before, I never ceased to recommend it.

Q. Then, as it is now, apparently, the channel is fairly well abreast of the times, or of the demand?—A. No, I am not quite satisfied at present.

Q. You want further advances?—A. Yes.

Q. In continuation of that policy?—A. Yes. Even the present navigation is up to or a little in advance of our capacity. We are behind.

Q. Behind the shipping demand?—A. Yes.

Q. Then, have you a personal knowledge of the conditions? You have of the recommendations. It is easy to recommend, it is said, and to appropriate on paper?—A. I have had very little to do with the actual expenditure of money. I certify the pay-lists and certify to personal payment, but we requisition all our supplies for that whole work in Sorel.

Q. You have to certify to the pay-lists?—A. Yes, all the ship channel pay-lists.

Q. You are personally responsible for the accuracy of that?—A. Fully.

Q. That involves merely the payment, from day to day, or week to week, or month to month, of the employees?—A. Yes.

Q. And you are satisfied with the accuracy of that?—A. Quite.

Q. I have not heard of any complaint about that?—A. I had a very good staff and I never put any name to a document unless it was countersigned by the man who was directly responsible, personally for that.

Q. I assume in a matter of that kind, to that extent, you would, of course, have to rely upon heads of branches and subordinates, to that extent?—A. Most certainly.

Q. In the same way that the head of the department, the minister, must necessarily rely upon you and the other heads of branches?—A. Yes.

Q. Would it be possible for the head of a department, such as this, to have personal knowledge of its expenditure in different directions?—A. Generally, but not minutely.

Q. As to the accuracy and correctness of an amount?—A. He has to take the signature of his employees.

Q. Necessarily so?—A. Oh, quite so.

Q. Would it be practicable for any one in the position of a minister of that department to have personal knowledge of items and details of expenditure?—A. With one or two works, but he could not with the great number of works that are on hand.

Q. The total expenditure, we have heard, is very large now, owing to the demands?—A. Yes.

Q. Now, you say, in matters of wage payments, you are personally answerable for those, but that, I should think, would be, probably, a comparatively small amount of the expenditure of your branch; supplies and the like must be of an important amount?—A. I was only responsible for the wages.

Q. What other items of expenditure would there be involved in your branch?—A. All the stores and materials and supplies.

By Hon. Mr. Cassels:

Q. What do you mean by stores?—A. Each dredge requires a great deal of coal and oil and stores per week, to carry on the work, and we requisition that from our main store at Sorel, which I have nothing whatever to do with.

By Mr. Watson:

Q. What do you mean by the main store?—A. We have an establishment at Sorel, which consists of a shipyard and store. All repairs are done there. Vessels are wintered there and overhauled and outfitted, and in the spring they come out, and when navigation opens they are put in my charge, and I operate them for the season, and in the fall I hand them over to the man in charge of the shipyard.

Q. To do necessary repairs?—A. All I do is to recommend what is required.

Q. That would be one item of the so-called store. What else is there involved in the store? Supplies of what character?—A. All timber and iron and material for repairs. Owing to the very heavy work a great deal of wear-out occurs on these dredges.

Q. Plant, tools and machinery therefore?—A. And they have to be renewed weekly, daily, sometimes, not an expenditure of such a large amount. The repairs, especially on dredge plant, are very, very excessive, always are, especially with such hard work.

Q. Then you have an item of provisions and board and the like?—A. We contract for the board with the captains of each vessel.

Q. Each vessel?—A. Each vessel.

Q. That is a matter of written contract?—A. It is written as far as the regulations go.

Q. Had you to do with the making of that?—A. Yes.

Q. You had the responsibility of that?—A. Yes, quite, with the approval of the department.

Q. It was your recommendation?—A. Yes.

Q. And about what staff was there on an average?—A. Engineering staff?

Q. No, the staff over which you had control, and of your whole branch.—A. A staff of about 8.

Q. I mean employees—the whole service.—A. The total number of employees, about 500.

Q. Then, these contracts with the captains might, perhaps, sometimes be subject of abuse by a captain who thought himself a fixture?—A. No, I think that was quite impossible, because we had the regulations so made that the pay lists from which the board accounts are made, are made by the engineers of each vessel.

By Hon. Mr. Cassels:

Q. Was the captain paid so much a day for keeping the men?—A. Yes.

By Mr. Watson:

Q. That is the regular system which has been adopted?—A. It has been in vogue for 50 or 60 years.

Q. And no advance during that time?—A. Oh, yes, provisions have advanced.

Q. I was not serious in that view. I suppose necessarily there have been advances made, as everything else has advanced, but you have been personally responsible for these contracts for the proper amount?—A. Yes.

Q. And in connection with those has there come to your knowledge attempted wrong doing or misconduct on the part of any of the employees or sub-officials?—A. Not in the least.

Q. Captains or otherwise?—A. Quite the contrary.

Q. Ever been a matter of complaint?—A. Oh, yes, the men frequently complain that the board is not good.

Q. But I mean, observation in regard to the integrity or want of proper dealing or conduct?—A. Not in the least. I have never heard of an instance.

Q. Then as to that portion of the service of the official staff, including employees, can you give any information of any wrongdoing or want of conscience on their part in their business relation?—A. Quite the contrary.

Q. Ever heard if anything existed?—A. I think it is a staff we should be proud of.

Q. Then the purchases of supplies that have been made, do I understand these have been made under your direction still?—A. No.

Q. Who has had charge of these?—A. The director of the shipyard.

Q. What is his name?—A. Mr. Desbarats. He is now acting deputy minister.

Q. He has had charge of the supplies?—A. He has been director of the shipyard for a number of years.

Q. That involved a considerable appropriation and expenditure?—A. Not necessarily so.

Q. In your position that you occupied, you would have opportunity of knowing, I should think, reasonably well and accurately as to whether or not there was any wrongdoing or misconduct in connection with these purchases?—A. Oh, yes, I should think so, yes.

Q. You would have opportunity?—A. I lived on the ground and was around all the time, and I am sure I would have heard of anything of that nature if it had existed.

Q. And in what instance did you know of attempts at gain by officials by way of commissions or otherwise in such purchases?—A. Well, I do not know. I have been 23 years working and I never heard of one.

Q. You never heard of one?—A. They never came my way and I have never been offered one, and I have never had the chance of accepting one.

Q. Apart from yourself, have you heard of it with others?—A. On the ship channel I never heard of one.

Q. You mean to say nothing of the kind ever came to your knowledge?—A. I am quite sure of it.

Q. You have been in a position, I should think, where, if the fact existed, it should have come to your knowledge if you were reasonably probing?—A. I should think so, yes.

Q. There would be opportunity for such?—A. I am quite sure if I wanted to I could have had it, but I never wanted it.

Q. Let us know the name of the supply man you could have had it from?—A. Not from supply men at all.

Q. Whom do you mean then?—A. For instance in the purchase of a dredge I was asked if that price was complete including everything, and when I said it was, they gave me a lower price. That is the only instance I know of.

Q. They gave you a low price?—A. They gave me a lower price than the price first offered.

Q. That in the purchase of a dredge from the department?—A. No, for the department. Mind you, there was nothing offered, but the price was a certain amount, but when I offered to recommend a certain price they cabled over to know if that was complete. I said it was; so they accepted it, that is all I know about it.

Q. If that was complete?—A. If it covered everything.

Q. It is a trade expression—offer firm.

By Hon. Mr. Cassels:

Q. No, they wanted to know if you were going to get your commission out of that?—A. I supposed that, but that was all that was said.

Q. But you have no reason to suspect that?—A. No. I am quite sure in England that it is the rule.

By Mr. Watson:

Q. You say that it occurred in connection with the supply men in England?—A. Yes.

Q. And your observation and experience is that that is a system that prevails there sometimes?—A. To a very large extent in construction and purchases.

Q. Then with others in the service would there be opportunities of such commissions or rake-off?—A. No, no opportunity whatever.

Q. And you are satisfied that nothing of the kind existed?—A. I am quite convinced.

Q. Then, as to the matter of furnishing supplies in Montreal, what merchants or people were contracts made with for supplies in your branches?—A. I did not make the purchases, they were made directly by the shipyard.

Q. You are not able to give that?—A. No.

Q. You do not know in what way the purchases were made?—A. I know the amounts charged to my branch work, were quite reasonable.

Q. Did you know whether purchases were made at wholesale or retail prices?—A. They must have been wholesale.

Q. Why do you say that?—A. Because the charges made against my repairs and materials were so reasonable.

By Hon. Mr. Cassels:

Q. You were charged at the Sorel office?—A. Yes.

Q. As a matter of bookkeeping or accounting?—A. Yes.

By Mr. Watson:

Q. Then, with regard to the adoption of the changes made, lighting and signals, and matters of that kind, have you personal knowledge? Had you to do with these matters at all?—A. I had only the recommendations for the position and type.

Q. Then you would act upon these recommendations?—A. No, I would recommend them. I had nothing whatever to do with the construction or requisition of those.

Q. Do you mean you made recommendations as to the order or number of lights?—A. No, I asked for a gas buoy at a certain place, and did not say what kind of a buoy. I asked for a permanent buoy at a certain place. As regards the plan of the lighthouse, I had nothing to do with that.

Q. That did not fall within your line?—A. No, quite the contrary, I did not know anything about these.

Q. And you, therefore, do not desire to express any opinion as to the efficiency of the system?—A. I can quite certify that the new buoys are very efficient.

Q. And as to the necessity?—A. Oh, yes, every gas buoy in the place I have asked for.

Q. But the necessity for the changing from the former buoy to the new buoy with the large expenditure?—A. Oh, I had nothing to do with that.

Q. You do not express any opinion as to that?—A. No, I can express no opinion about that.

Q. Then you were directly answerable in the first place to the deputy minister, I assume; that is by order in council.

Q. Then was there any other superior officer?—A. No.

Q. Do you know of any gains or favours to individuals, or individual contractors, at your own suggestion or at the suggestion of the deputy minister or others?—A. No.

Q. By which any one would get a preference over others?—A. Quite the contrary, I do not know of any.

Q. Any political or other interest being served by you or your superior officer?—A. Not that I know of.

Q. Any personal interest being served by your superior officer?—A. Not that I am aware of.

Q. Anything of the kind ever come to your knowledge, hearsay or otherwise?—A. Quite the contrary.

Q. As to the expenditure upon the lighthouses, can you speak of that at all?—A. I have no knowledge.

Q. And can you say as to whether the lighthouses as they exist are necessary or not?—A. Oh, absolutely necessary; none have been built that I have not asked for.

Q. All upon your personal recommendations.—A. Yes. In designing the channel, we designed it to have a certain character of lighting, and this is being built to the standard we asked for.

By Hon. Mr. Cassels:

Q. How are these captains of your steamers employed? Year by year, or permanently in the service?—A. Year by year, but, of course, they are always retained, unless for some very serious offence.

Q. You employ them year by year, but retain them on, unless something wrong?—A. Yes.

Q. How do the men employed, compare with the men on the fleet?—A. The captains?

Q. No, I do not mean the captains.—A. All our men that I have to do with are on the fleet, in connection with the dredging fleet, captains, engineers, mates and sailors.

Q. Why should there be different reasons for contracting supplies in one case than in the other? I understand you enter into a contract with the captain of your steamer or dredge?—A. That is to save us the trouble of buying supplies. We get them cheaper that way, and it is better done, and the captain is the only man who could order provisions to be sent at a certain time and received at a certain place, and we give him the contract. It is the general system adopted pretty much all over inland waters.

Q. With that class of vessels?—A. And we have an organization of captains and engineers who have spent their lives at that work, and it is a difficult and hard work. And they work 24 hours a day, 132 hours a week and deserve a great deal of credit. We have one captain who is 69 years of age, and he boasts he never gained a dollar elsewhere.

Q. Is he rich?—A. No; poor chap, he has to work yet.

Q. As a matter of information, in keeping this 30-foot channel or waterway you have spoken of, about how many places have you to keep continuously dredged?—A. We have no maintenance whatever. Our water is clean and there is no silt carried down, and the bottom is so hard that the current does not affect it. With one small exception we have no maintenance whatever. We dredged the banks at Lake St. Peter 22 feet straight up and down and it stays there.

Adjourned to 2.15 p.m.

Commission resumed at 2.15 p.m.

Mr. WATSON.—My lord, I call Mrs. Thomas.

Mrs. THOMAS recalled.

By Mr. Watson:

Q. You have already been sworn, Mrs. Thomas?—A. Yes.

Q. Mrs. Thomas, we have already heard from you in evidence that you are one of the officials in the department?—A. Yes, sir.

Q. The department of the Deputy Minister of Marine?—A. The minister's office.

Q. And you have personal knowledge of the business transactions of the department, having been there for some time?—A. A general knowledge, yes, sir.

Q. I want to ask you just the names of the different firms and individuals in the city of Montreal with whom transactions have taken place by the department. Can you give me the names?—A. There are several sir, but sometimes the purchases are very small, \$300 or \$400 or \$500, but where we have purchased extensively, the principal firms I would say on reference—

Q. Just give me the names please of the principal ones, that is during the period of the last three years, starting in 1904?—A. There is the Canadian General Supply Company.

Q. The Canadian General Supply Company?—A. E. J. Coghlin, F. L. Brooks, G. T. Merwin, Lewis Bros., Sherwin Williams Co., Watson, Jack Co., Steel Concrete Company, Caverhill, Learmont & Co., Drummond, McCall & Co., Hudon & Orsali, McColl Bros. & Co., E. Cavanagh Co., T. L. LaFleur, E. H. Lemay, T. F. Moore Co., Phoenix Bridge and Iron Works, James Robertson Co., Thomas Robertson Co.

Q. That is Robertson?—A. Robertson; and the Imperial Oil Company.

Q. Are there any others at all?—A. There are several others, but the purchases were very trifling amounts, some years a couple of hundred dollars, another year two or three hundred, and so on. These are large purchases.

Q. The others were matters of \$200 or \$300 a year?—A. Yes, sir.

Q. And all these you have named are for comparatively large purchases?—A. Large purchases as a rule from them.

Q. Large sellers?—A. Yes.

Q. And with these parties the dealings have occurred more or less during this period?—A. During that period, yes.

Q. And there are no others here?—A. Not of importance.

Q. All right, thank you. That is what I wanted.

Mr. WATSON.—My lord, I understand Mr. McCall is here, of Drummond, McCall & Co.

JAMES T. MCCALL, sworn.

By Mr. Watson:

Q. Mr. McCall, you are of the firm of Drummond, McCall & Co.?—A. Yes, sir.

Q. Pardon me for asking you with some particularity; I am not a resident here. What is the character of your business here?—A. Iron and steel merchants.

Q. How long have you been associated with the firm?—A. Since its inception, about twenty-seven years.

Q. Mr. T. J. Drummond is the head of the firm?—A. No, sir; Mr. George E. Drummond.

Q. George A. Drummond?—A. George E. Drummond. His brother T. J. is also a partner.

Q. Mr. T. J. Drummond, I understand is the president of the Board of Trade here, Montreal?—A. Yes, sir.

Q. Your firm is of prominence and long standing, one of the most prominent firms in the country, I understand. You have had business connections off and on, or perhaps continuously, with the Marine and Fisheries Department?—A. Yes, sir.

Q. And have you a personal knowledge of these transactions?—A. Practically all, yes.

Q. What have you sold and delivered to the department?—A. Generally speaking iron and steel plate, tubes and other material used in the construction of vessels at Sorel.

Q. Of vessels at Sorel?—A. Yes, sir.

Q. And can you tell me about the average amount of your sales to the department during some years past?—A. Oh, it has been very irregular.

Q. Irregular?—A. Yes.

Q. Amounting to as much as \$50,000 a year?—A. No, sir.

Q. Not as much as that, I see. Have others besides yourself in the same line supplied goods to your knowledge?—A. They have, yes.

Q. What other firms or companies?—A. Well, the Thomas Robertson Company, Montreal; Watson, Jack Co., Montreal; Caverhill and others who are in the same line of business as ourselves.

Q. What I mean to ask is, whether or not the orders are exclusive, whether they are limited to you, or passed around?—A. We only get a part of them, I believe.

Q. A part?—A. Yes.

Q. Then let me ask in connection with that—I am entirely ignorant myself of the matter—whether or not this is by reason of any party affiliations or connections?—A. No, sir.

Q. Is it not?—A. No, sir.

Q. Are you quite sure?—A. Quite sure.

Q. Do you know whether or not the name of the firm appears upon the so-called patronage list?—A. I never saw the patronage list.

Q. You never saw it?—A. No.

Q. And you have no knowledge of it?—A. Well, I understand this: I don't know whether it is called a patronage list, it is a list of firms of whom they ask quotations, but further than knowing we are asked for quotations I do not know anything more.

Q. I see. That leads to the next point. In what way are you asked for quotations? A. Either by letter or we notice printed advertisements in the newspapers.

Q. Printed advertisements in the newspapers. Then is it a fact that printed advertisements do not always appear in respect to requirements for supplies?—A. These printed advertisements are usually for the large purchases.

Q. I see, for large purchases?—A. Yes.

Q. Then I understand from you when they are not designated or thought to be large that you receive requests for quotations without that advertisement?—A. Yes.

Q. And when you receive such requests—by the way do you happen to have any of them with you?—A. No, I have none with me; but they are—

Q. Is there anything to indicate that they are limited to yourselves?—A. No, sir, they are not. In fact, I believe they are usually rather widespread in Montreal.

Q. Why do you believe that?—A. Oh, we hear of it occasionally.

Q. I see. Rather widespread. And from whom do these applications reach you? What source do they come from, Ottawa, or from the office in Montreal?—A. The office in Sorel.

Q. In Sorel?—A. Yes.

Q. That is from whom, what individual?—A. Usually Mr. J. G. Desbarats. He was the director of the ship yards there.

Q. At Sorel?—A. Yes.

Q. And in that way you have been supplying to the government or rather to the department, goods in your line?—A. Yes, sir.

Q. Plate and tubes and the like?—A. Yes, sir.

Q. In connection with those supplies, sales, you had sometimes personal communications?—A. Yes, sir.

Q. With individuals?—A. Yes.

Q. What individual officers did you meet?—A. Mr. Desbarats generally.

Q. Any one else?—A. No.

Q. Any one else at all?—A. I recall no one, sir, except Mr. Desbarats himself.

Q. I see. Did you have any communications with the deputy minister upon the subject?—A. None, except in sending our tenders to him at Ottawa in response to advertisements in the newspapers.

Q. None other?—A. None other.

Q. You are manufacturers and wholesalers?—A. Yes, sir.

Q. Do you deal by retail at all?—A. No, sir.

Q. Not at all?—A. No.

Q. Strictly manufacturing and wholesaling?—A. Yes, sir.

Q. Then the sales and transactions by you have been in that capacity, I understand?—A. Entirely.

Q. Then it has been said—I want to know if you please—that goods have notwithstanding been purchased at so-called retail prices. Is it the fact that you have been selling to the department at retail prices as distinguished from wholesale prices?—A. We sell them the same as we sell to any other large concern. We have no what we call retail prices, because we are in a wholesale business.

Q. Yes?—A. We have no retail customers.

Q. Then is it not the fact that you have charged the department, in some instances at least, more than you charged other people with whom you deal by wholesale?—A. No, sir.

Q. Is it not?—A. No, sir.

Q. Has that not on any occasion occurred?—A. Not to my knowledge.

Q. Not to your knowledge?—A. For this reason, sir, that every time that we are called upon to give a price for goods we send in a written reply with our lowest price.

Q. Yes?—A. If we get the business, it means, I suppose, we have quoted the lowest price; if we do not, we presume some one else has quoted lower.

Q. I see. I infer from that you have always had in your mind there was competition?—A. Oh, rather.

Q. I see. Has there been any question about that?—A. No question whatever.

Q. At all events, that has been in your mind, whether a fact or not?—A. Oh, it is a fact.

Q. You say it is a fact as well. Then what do you say as to whether or not the department has purchased from you at the best prices available for a purchaser?—A. Well, I have always considered that they have purchased remarkably well as far as we were concerned.

Q. Have you, indeed?—A. I have.

Q. Now, there have been statements made that the purchases were not made to the best advantage; on the other hand, larger prices were paid than necessary to procure the goods?—A. Not to my knowledge, as far as we were concerned.

Q. Has such a thing occurred in the dealings with you?—A. No, sir.

Q. Are you sure?—A. Quite sure.

Q. And over what portion has that extended?—A. I think the Sorel shipyard was taken over by the Department of Marine and Fisheries about three years ago. Previous to that it was under the control of the Department of Public Works.

Q. Previous to that, that is previous to three years ago, did you supply to the Public Works Department?—A. Yes, we did.

Q. To an extent equal to the supply made since that time?—A. Well, you must remember that during the last three or four years I think the Sorel shipyard has been extended very largely, and a good deal of work is being done there now that may have been done elsewhere previous to that, so that their business, of course, during the last three years has been larger than it was before.

Q. I see. In that way the orders probably have been increased?—A. Yes.

Q. And you have found that in your business as well?—A. Yes, we have found that.

Q. How long have you been dealing with the department?—A. Of Marine and Fisheries?

Q. Yes; and with the government?—A. I could not say.

Q. During the whole time of your connection with the firm?—A. Oh, no.

Q. Twenty-seven years?—A. No, sir; because we were—of course, it is only since we became a firm, as you call it, of some importance.

Q. Yes. That extends back a considerable number of years, I understand?—A. Well, I leave that to you, sir.

Q. Yes, yes. What I wanted to know was whether or not your dealings with the government have extended over ten or fifteen years past?—A. Oh, I think that is about the limit, so far as I can remember, but I have—I don't remember.

Q. It is not particularly in your recollection just now?—A. No.

Q. I see. Then I understand you specifically to state that the prices at which goods and materials have been sold and delivered have been regular ordinary prices, that is to the department?—A. Yes, sir.

Q. Have you in any way distinguished as against the purchaser where the purchaser was the Department of Marine and Fisheries?—A. No, sir.

Q. Not to any extent?—A. No, sir, except sometimes to cut the price very fine to get the business.

Q. Indeed?—A. Oh, yes.

Q. Do you mean by that, cutting it finer than with other purchasers, other customers?—A. Well, I mean that to some extent, yes.

Q. You do?—A. I do.

Q. Then, after Mr. Desbarats ceased at Sorel, with whom have you dealt there?—A. The letters have been signed by Mr. Papineau, any communications we have had since have been from Mr. L. G. Papineau, I think it is.

Q. At Sorel?—A. Yes.

Q. Has there been any change in the conditions, in the character of the transactions?—A. No, sir.

Q. At any time, Mr. McCall? Will you pardon me, it is with some hesitation I ask you some of these questions, perhaps. Has there been any time when any approach has been made to you or to your firm or house by any official for personal consideration?—A. Never.

Q. Have you ever known of such an occurrence?—A. No, sir, I have never known of any.

Hon. Mr. CASSELS.—You understand the question of consideration?

By Mr. Watson:

Q. I will put it more distinctly. Has the question of commission or percentage to an official or an employee of the government ever arisen?—A. Never.

Q. Never?—A. Never.

Q. Has it ever been mentioned?—A. Never.

Q. Or to any one connected with the government high or low?—A. Not to my knowledge.

Q. Not to your knowledge. Has there been any personal consideration of any kind, directly or indirectly, moving to the minister, the deputy or other official or employee?—A. No, sir.

Q. Have you ever heard of such a thing?—A. No, sir.

Q. Have you heard of it, Mr. McCall, with other people dealing with the department, if so, with whom?—A. I have never heard of it. I have always esteemed Mr. Desbarats to be a man above anything like that. I never heard that anything possibly could be done with regard to him, and he was the one we did all our transactions with, he was the head of the department.

Q. Now, it has been said in the report of the Civil Service Commissioners, or rather of the majority of them, that it is well known that a custom exists to allow commissions on sales, I think it is.

Hon. Mr. CASSELS.—I do not think it is.

Mr. WATSON.—I will just get the exact words.

Hon. Mr. CASSELS.—Yes, that will be preferable.

By Mr. Watson:

Q. Yes, here is the sentence at page 34, my lord, of the report. I was practically correct I think though not using exactly the language used here. I will read the whole sentence in order to have the matter fully before you, Mr. McCall. It says:—‘There is not only a lack of efficient organization and method in the department, there would also seem to be a lack of conscience. In connection with the enormous expenditures which are deemed necessary the word “discount” never appears. It is tacitly assumed that there is no such thing, but the whole commercial world knows otherwise. If no one gets any benefit from trade with the government except the trader, then it must be clear that in these great purchases made for the government, without discount, its officers must be assisting the trader to get better prices from the government than he can get anywhere else; for, everywhere else he has to give discount.’ I think my question was not any too wide in view of that, my lord. ‘In other words, some of the government’s officers are serving two masters, and apparently succeeding with both—Scripture notwithstanding.’ Do you know anything of the matters that are referred to there?—A. Well, he refers first of all to discounts.

Q. Yes?—A. That has no reference to a business such as ours. We sell our goods at a certain net figure quoted regularly at a certain net price, and on that basis all our prices are based.

Q. Yes?—A. I don’t know what it means by discounts in that.

Q. It says: ‘In connection with the enormous expenditures which are deemed necessary the word “discount” never appears. It is tacitly assumed that there is no such thing, but the whole commercial world knows otherwise.’—A. Yes. I don’t know what he means. In regard to the iron trade we sell our goods on a net cash basis in all our large transactions, and we sell to the government on the same basis.

Q. I see.—A. Sometimes we get paid at a later date by the government than by other people, so we are very often out of pocket some interest, depending—I don’t know how the appropriations go through, but it often happens we have had to wait a little longer than we would otherwise have to wait.

Q. In your ordinary line of trade?—A. In our ordinary line of trade.

Q. Then by reason of that do you add to the selling price?—A. No; we have got to take that risk. Sometimes they are very prompt, depending, I suppose, on having the money they have to pay.

Q. Then do you ever make allowances to any purchaser of discount?—A. No. There are certain small lines that are sold with what we call a discount in ten days, some people call it that, but it applies to certain small lines here. We never take that into account at all. The goods we sell them, are all net prices, net goods we call them, and we always make up our prices on that basis, because you must remember we have quoted in every case sold to the government, and quoted them our price on our terms of payment net 30 days, or whatever it was, according to the usual custom of the trade.

Q. Yes. And that you say is a faithful statement and history of your transactions?—A. It is, sir.

Q. Have you your books here?—A. I have some here, sir, yes.

Q. Let me see what you have please?—A. (Witness produces books).

Q. What are the books you produce, Mr. McCall?—A. This is a binder giving copies of our invoices to the government and others.

Q. And others?—A. Yes.

Q. I see. So that from this book and other books a comparison of prices may be made upon the face of the leaves?—A. They might.

Q. A comparison of prices, that is, to others and to the government?—A. Yes, they might to some extent, yes.

Q. You have, however, given your testimony about that. Have your books been examined by anybody?—A. By Mr. J. M. M. Duff.

By Hon. Mr. Cassels:

Q. Is there any retail competition in this class of goods?—A. No, sir.

Q. It is totally a wholesale business?—A. Totally a wholesale business.

By Mr. Watson:

Q. Then in the examination by Mr. Duff did you produce to him all the books and documents necessary to afford him full information?—A. I gave him access to all the books in our office in connection with all these sales.

Q. You have?—A. Yes.

Q. Have the purchases continued about the same during the last 3 or 4 years, that is each year?—A. Oh, they are quite irregular, because in a case of building a steamer, for example, at Sorel, if we were successful in getting the contract, it would mean, of course, a very large amount; if we were not successful, it would of course mean that our sales were so much the less.

Q. Yes. It just depends on whether you happen to be over or under some one else?—A. Yes, to secure a certain contract.

Q. And have you any knowledge of cases where the lowest tenders have not been accepted?—A. No, sir, not to my knowledge.

Q. I wanted to know whether you had any information or knowledge about that? A. No knowledge whatever.

Q. Then you have your other books here. They have been examined by the accountant. It is not necessary we should take up much time by going over them, my lord.

Hon. Mr. CASSELS.—No.

Mr. WATSON.—I do not know of any reason in the world to doubt for a moment what Mr. McCall says.

By Hon. Mr. Cassels:

Q. I understood Mr. McCall, the class of goods sold at Sorel by your firm was not a class of goods that could be got by retail at all?—A. That is so.

Mr. WATSON.—How is that?

Hon. Mr. CASSELS.—You see, the ground of complaint by Mr. Fyshe in that paragraph you read with regard to the patronage list is that they go and buy from the retailers, giving them an increased profit, instead of going to the wholesale houses.

Mr. WATSON.—Yes.

Hon. Mr. CASSELS.—This is a class of goods that do not come under that.

By Mr. Watson:

Q. Do you mean, Mr. McCall, you do not sell to the ordinary hardware merchant who deals in that class of goods by retail?—A. Hardware merchants do not build vessels.

Q. That is quite so?—A. And they would not deal in that material.

Q. And necessarily such purchases must be made from a wholesaler or manufacturer?—A. Undoubtedly.

Q. You are not manufacturers, are you?—A. No, sir, we are not manufacturers of any goods we sell to the government at all; we are wholesale merchants.

Q. All right, Mr. McCall, I am much obliged to you?—A. Is that all?

Q. That is all, thank you.

Mr. WATSON.—Then, my lord, I will just call Mr. Duff, the accountant, at the present time solely with regard to the dealings of that firm. I do not want to examine Mr. Duff with regard to other mercantile transactions until those concerned have given their own evidence. I will close up each one.

JOHN M. M. DUFF, sworn.

Mr. MCCALL.—Might I ask one question, sir?

Hon. Mr. CASSELS.—Certainly.

Mr. MCCALL.—We have given Mr. Duff access to all our records with regard to our prices, where we buy, the prices we purchase at, and all our sources of supply. To make these public, of course, would mean giving away business to our competitors and others, and we feel we should be protected.

Mr. WATSON.—I do not think you need say anything more. I am glad you mentioned it.

Hon. Mr. CASSELS.—Yes.

Mr. MCCALL.—Mr. Duff had access to all our records, which are entirely confidential.

Mr. WATSON.—We will have regard to that, Mr. McCall, certainly.

By Mr. Watson:

Q. Mr. Duff, I have to ask you a few questions. Then I will not be at liberty under these circumstances, and I think quite fairly, to put in the statement you have made, because I can ask questions about it. I think that is quite reasonable, from what Mr. McCall has said. You are an accountant, Mr. Duff?—A. Yes.

Q. Here at Montreal?—A. A member of the Association of Chartered Accountants.

Q. And you have been practising your profession for a good many years?—A. Over thirty.

Q. Under instructions you have made certain examinations, including an examination of the books of the firm of Drummond, McCall & Company?—A. I did.

Q. For what purpose, did you make the examination?—A. I was instructed by the lawyers for the Crown to examine the books.

Q. You were instructed by Mr. Perron?—A. By Mr. Perron.

Q. Yes?—A. To find out all about their transactions.

Q. Yes?—A. What they sold, what the goods cost them, and whether there were any circumstances attending the sales that were suspicious or not.

Q. And with that view you made an examination?—A. As careful an examination as I could.

Q. Into the transactions during what period?—A. 1904-5, 1905-6, 1906-7, up to the 30th of June last—the 30th of June, 1907.

Q. I see. And you found the amount of the sales, entries of the goods as sold, and the prices?—A. I did.

Q. Did you compare those prices with the prices of similar goods sold to others?—A. To a certain extent, yes.

Q. How did you find the comparison?—A. The prices were more or less about the same for similar goods sold by other people. Some of their goods were sold upon contract, which they informed me had been got after competition, and in cases of that sort the prices would be a little lower than anybody else's.

Q. Yes, than the sales to others?—A. No, lower than other people had sold the same goods.

Q. What my question was intended to cover was, whether or not you compared the prices at which they sold the goods to the department and to other people, other purchasers?—A. No, I cannot say I went very far into that branch of the question. But besides being an accountant I have been twenty years in the hardware trade, and I have some knowledge of the prices. I know the prices. I watch the prices current as they are published, and I know the prices they gave are reasonable.

Q. And what do you say as to the prices made?—A. And in addition to that the most of their sales were made upon contract, written contracts, which were all submitted to me, and the prices agree with the prices in the contracts, and these contracts were got upon competition with other firms, so that would establish the point you wish.

Q. And how do those prices compare with the ordinary selling prices of similar goods?—A. Very low.

Q. Very low?—A. Yes.

Q. Very low as compared with the ordinary selling prices?—A. Yes.

Q. Indeed?—A. Yes.

Q. Did you find any departure from that?—A. No.

Q. Not throughout the whole period?—A. I found in some cases contracts had been made, and then the goods not called for for several months. In the meantime the market value of steel plates, for instance, had dropped, and Drummond, McCall & Co. were fortunate enough to be able to take advantage of the drop in the market. They had a contract to supply at a certain price, having delayed calling for the stuff, prices in the meantime had gone down, and they were able to buy cheaper, so they made more money than they would be able to do otherwise. Then they ran the risk of the price going the other way. Upon the whole, even in cases of that sort, they made very reasonable prices.

Q. You mean a reasonably good profit for themselves?—A. A reasonably good profit for the purchaser.

Q. For the purchaser?—A. If you will let me see that now. Here are one or two instances. They made from about $12\frac{1}{2}$ per cent upon bar iron and sheet steel and things like that. The bulk of their sales, however, were made at a profit of about $2\frac{1}{2}$ per cent.

Q. Two and a half per cent?—A. About.

Q. That is very small. What is an ordinary selling profit wholesale, a fair selling profit?—A. When I was a boy we would never sell for less than 25 per cent, but things are changed.

Q. Yes. Let us get down to the present time, the last three years?—A. Oh, I think 10 to $12\frac{1}{2}$ per cent would be about a fair average.

Q. A fair average?—A. That is counted on nowadays.

Q. By people in the position of that firm in transacting business?—A. Yes.

Q. Have you found the profits exceeded that?—A. Except in one or two cases, which occurred owing—

Q. To the way you mentioned —A. The circumstances I told you.

Q. In other cases you say they were lower, I think you mentioned $2\frac{1}{2}$ per cent?—A. I am not sure if there were not one or two cases in which they were rather less.

Q. Rather less?—A. I will tell you in a moment. No, there is nothing of that sort, but they are all very low, there is one transaction \$599, which cost them \$528. That is a very good transaction.

Q. \$529?—A. No, \$599, which cost them \$528, and that is a good transaction out of the whole; that is it paid as well as anything they have got.

Q. That is $12\frac{1}{2}$ per cent?—A. Well, I say that is about the highest rate they got, except in the extraordinary cases I told you about.

Q. What do you say then about the transactions with that firm or company?—A. I think the government bought very well. All the sales to the government by these people, were made very reasonable, really very low.

Q. Mr. Perron draws my attention to something there. What is that?—A. One sale amounting to \$5,295, which cost them \$5,104. That is smaller.

Q. How much was the sale again?—A. \$5,295.

Q. That was the amount of the sale?—A. Yes, and the cost \$51,104.

Q. What year was that?—A. That was in 1904 and 1905.

Q. Then without more going through the whole of the books and the transactions, what do you say as to the character of the transactions from a business standpoint by the department?—A. They seem to be exceedingly fair, and I cannot help feeling that the government had a very good buyer.

Q. Then in any way in the books of the firm, was there anything to indicate an allowance of any commission or percentage, or so-called rake-off to any individual or person?—A. Nothing that I could ever discover.

Mr. WATSON.—That will do, unless his lordship has something to ask.

Hon. Mr. CASSELS.—I have nothing to ask.

Mr. PERRON.—There has been a comment in Montreal, which came to my knowledge in the last few days, and I desire to have Mr. Benoit called in regard to it.

OSCAR BENOIT called.

By Mr. Watson:

Q. What firm or company are you of?—A. Alexander Bremer.

Q. And what is their line of business?—A. Importers of cement, clay pipes and fire bricks.

Q. How long have you been connected or associated with the firm?—A. 12 years.

Q. Are you a partner?—A. No, I am a traveller.

Q. 12 years?—A. In the cement business.

Q. A large business?—A. About \$300,000 a year.

Q. Turn-over?—A. Turn-over.

Q. And have you been dealing with the Department of Marine and Fisheries?—

A. We have supplied the department last year with cement, 2,450 barrels of cement.

Q. Representing how much money?—A. About \$5,800.

Q. In the neighbourhood of \$6,000?—A. Yes.

Q. That was 1907?—A. 1907.

Q. Before that did you supply the department?—A. No, we did not.

Q. That was the first?—A. Last year was the first year.

Q. And have you supplied them this year?—A. We have not.

Q. Was that one or several transactions making that amount?—A. Just one transaction. The department asked for from one to 10,000 barrels.

Q. In what way?—A. In asking for tenders.

Q. Was that by advertisement or communication?—A. Well, it was by advertisement, I believe. I am not quite sure. But I made a quotation.

Q. You think it was by advertisement, but you are not sure?—A. I am not sure.

Q. And you were directed to make the quotation?—A. Yes, I was directed.

Q. And you made the quotation?—A. I made the quotation to the department.

Q. You made the quotation to whom?—A. To the department at Ottawa, the Department of Marine and Fisheries.

Q. Previous to making that quotation with what official did you have communication?—A. Nobody. No communication whatever.

Q. James Fraser?—A. No, with nobody at all.

Q. Did you not personally see some one?—A. After we had the contract I saw—

Q. But before you had the contract?—A. Never.

Q. Did you not see Fraser personally?—No, never saw anybody.

Q. Did you see some one representing him?—A. No.

Q. No one at all?—A. No one at all.

Q. Then that communication was by writing?—A. Yes, by writing.

Q. What was the ordinary selling price of cement by the barrel at that time?—A. Well, the price we quoted to the department was \$2.40 a barrel, and at that figure we were making 15 cents per barrel profit, which is about $7\frac{1}{2}$ per cent.

Q. You were making 15 per cent?—A. No, $7\frac{1}{2}$ per cent.

Q. You were making 15 cents profit per barrel?—A. Yes.

Q. You would have to sell a good many barrels to make the amount of your wages.
—A. To make money, yes.

Q. How much more did you charge the department than you charged other purchasers?—A. We have not charged any more, just about the same price, that is the average profit we make on cements.

Q. Do you mean you did not get some preference or advantage?—A. No, the fact is that in September prices went up and we lost money with the department.

Q. You did not furnish them at that time?—A. We had to furnish them.

Q. That was last summer and autumn?—A. Yes. The prices of cement went up and we supplied them.

Q. Do you know whether others were solicitors for tenders as well?—A. That I could not tell you; not that I am aware of.

Q. Did you have any consultation with any one else before doing it?—A. I had not.

Q. Do you know of any such thing as a commission or percentage?—A. No, sir.

Q. To any official?—A. No.

Q. Did you ever hear of any such thing?—A. No.

Q. From any source?—A. No.

Q. My learned friend, Mr. Perron, informs me that the transaction with your house has been made the subject of some comment and special mention to him. Can you explain how that arises? I had not heard of it before?—A. I do not know how anybody could have spoken about it, because I was the only one to have anything to do with it.

Q. It is just that one transaction?—A. I know we lost money on the contract; so I know as much about it as any one.

Q. Is that the whole of the facts you have told?—A. That is the whole of the facts, and there are the books to prove it.

Q. Are your books here?—A. Yes.

Q. Have they been examined by Mr. Duff?—A. Yes.

Q. Did you produce all that bore upon it to him?—A. Yes.

By Hon. Mr. Cassels:

Q. Does your firm make the cement?—A. No.

Q. You buy it?—A. We buy it and sell it over.

J. M. M. DUFF, recalled.

By Mr. Watson:

Q. Did you examine the books of this house?—A. I did.

Q. Did you see all the books?—A. All that I wanted.

Q. That is, sufficient for the purpose of enabling you to test?—A. Yes, they gave me everything I asked for.

Q. Did you find any other transactions than this one?—A. No, that is the only one.

Q. You have heard the evidence of this gentleman?—A. Yes.

Q. What have you to say?—A. I think what he said was true. He made a very—

Q. Do the entries in the book correspond with that?—A. Yes. They made a very small profit on that transaction. In fact, if you were to take into account interest and cost while it was running, until they were paid, I do not think they made anything out of it at all.

Q. That is the condition?—A. Yes.

JAMES G. LEWIS sworn.

By Mr. Watson:

Q. You are of what firm?—A. Lewis Bros. Co., Ltd., of Montreal.

Q. You have been a member of that firm for many years?—A. Since its inception, twenty-two years ago.

Q. And your business or line is what?—A. General hardware.

Q. Wholesale and retail?—A. Wholesale only.

Q. Your sales chiefly are to the retailers, are they not?—A. Altogether.

Q. And you have had transactions with the Department of Marine and Fisheries?—A. We have.

Q. Extending over what period?—A. Oh, say ten years.

Q. Amounting to considerable sums?—A. Well, that depends; possibly an average of \$20,000 a year.

Q. You are not manufacturers?—A. No.

Q. And with whom have your transactions occurred?—A. Principally with Mr. Desbarats, at Sorel.

Q. Has the business with your house or your company, the transactions, been the subject of competition, do you know?—A. Altogether, I would say.

Q. Competitive business?—A. Either inquiries by mail, or printed in the newspaper.

Q. Is there any way of distinguishing between the two, why one course would be adopted at one time, and another at another time?—A. Possibly the newspaper ones were very large transactions.

Q. And the others smaller?—A. Yes.

Q. Did you have personal communication, direct personal communication, with Mr. Desbarats?—A. Do you mean by mail?

Q. No, individually?—A. Well, I have met him frequently.

Q. At your house?—A. At my place of business.

Q. Any others from the department that you have met there?—A. We have met other parties.

Q. Whom?—A. I might mention Mr. J. F. Fraser.

Q. You have had personal communication with him off and on?—A. Yes.

Q. Quite frequently?—A. No, I would not say frequently. They have not been very large buyers.

Q. Any one else besides J. F. Fraser? B. H. Fraser?—A. No. No one else to any great extent; our principal dealings have been with Sorel.

Q. Occasionally with J. F. Fraser?—A. To a small extent.

Q. And at what prices have you made the sales to them? Wholesale or retail?—A. Wholesale altogether. I would say they were very favourable prices from a buyer's standpoint.

Q. From a supplier's standpoint?—A. From the buyer's standpoint.

Q. I thought you said supplier's?—A. Buyer's I said.

Q. Is it a fact that you have charged to the department a larger price for the same class of goods than you have charged to other purchasers?—A. No, I would say we charged rather lower prices. It was a case of competition entirely, and if our prices were higher than other people would take the business for, we did not get the business. It was the case that the lowest prices got it every time.

Q. Do you mean to say that upon the whole you have charged lower prices to the government than you have obtained from other purchasers?—A. Decidedly, yes.

Q. You say so?—A. Decidedly, yes.

Q. Why did you sell to them at all?—A. Well, it was a case of possibly being sure of your pay, and you could take it on a smaller margin of profit, but in a great many cases it did not pay us, we would have been better without the business.

Q. Why so? You would not sell at a loss?—A. Yes, but considering the cost of doing business at the present time, you have to have a profit to do business, and you can invest your money to better advantage.

Q. Do you mean to say you did not get your average profit in the sales you have made to the government?—A. We did not.

Q. You did not get the average profit?—A. No.

Q. Are you prepared to say what difference?—A. Well, I am sure that our dealings with the government would not average a profit of $7\frac{1}{2}$ per cent, and possibly the majority of it was about half that.

Q. About half of $7\frac{1}{2}$ per cent?—A. The average profit would not reach $7\frac{1}{2}$ per cent.

Q. Is there any objection to your stating what you estimate your average profit at in the course of your business?—A. Well, we figure our cost of doing business at about $12\frac{1}{2}$ per cent of our turn over, which amounts to several million.

Q. That is the cost of doing business?—A. Yes.

Q. What is your average profit?—A. Well, it is more than that.

Q. That is over and above cost?—A. Yes.

Q. If the profit is not more than double the cost, it is not considered a very substantial business, sometimes, I believe.—A. We would be satisfied to wind up the year's business on a margin of two per cent, if we could get it net; we would be very glad, too.

Q. That indicates a very large percentage of losses, bad debts, I should think.—A. We very seldom have any.

Q. Then, if your average profit is $12\frac{1}{2}$ per cent, or over 12 per cent, and you would be glad to take a net profit of 2 per cent, I do not see how the two things reconcile themselves.—A. I do not understand your question.

Q. I understood you to say the average profit was probably more than 12 per cent?—A. Yes. I said the average cost of doing business was about $12\frac{1}{2}$ per cent, based on the amount of our turn over, I mean the amount of our total sales per year.

Q. What about 2 per cent?—A. I said I would be very glad if our firm could wind up the year with 2 per cent net profit on the amount of their turn over.

Q. Then is this $3\frac{1}{2}$ or 7 per cent that you speak of, a profit that you averaged from the government over and above the cost of sales?—A. Yes, the cost of sales—I said actual cost—not cost of doing business at all.

Q. But not over and above the cost of the doing of the business?—A. Oh, no.

Q. Now, Mr. Lewis, in the interviews with any official, on what occasions have any references been made to personal advantages or commissions?—A. None to my knowledge.

Q. By an official or other representative from the department?—A. None to my knowledge at all.

Q. Has anything of the kind ever occurred with you?—A. Not as far as I am concerned.

Q. Or with your house, to your knowledge?—A. Absolutely, no.

Q. In the course of your business is it the custom to allow discount?—A. Yes, in a great many cases we sell goods based on what they call a trade discount, but in quoting prices to the government, we quote them on the net basis. If, for instance, an article cost a dollar, we would probably charge a dollar and 5 cents or whatever price you put on it, so if you put a profit on that, there was not any chance of a discount, was there?

Q. Where you allow the trade discount, do you increase the selling price?—A. Not necessarily so.

Q. Is that?—A. Well, it would be more that the transaction would pay us if we were selling to the Department of Marine and Fisheries, that is regular sales.

Q. That is the net result to you?—A. Decidedly.

Q. Even after the discount, would be a higher price than you usually sold to the department?—A. Yes.

Q. Is that what you say?—A. Yes.

Q. What I want to know is, is there any customer, or class of customers who are able to purchase goods from you of the same class on more advantageous terms?—A. We had none on our list that bought as well as that department.

Q. Do you mean that?—A. Decidedly, yes.

Q. I thought most people who sold to the government expected to get an extra price?—A. I heard so, it never came our way, though.

Q. Have you any knowledge of goods of the same class that you have sold, being purchased from retailers in Montreal?—A. I have no knowledge.

Q. Did you have to compete with retailers?—A. I do not know.

Q. Not to your knowledge?—A. Not to my knowledge.

Q. Have you any evidence or information as to any lack of conscience or good faith, or honesty or integrity in the transactions on the part of any one in the department?—A. As far as our dealings with any one in connection with the department are concerned, there is nothing of the kind, whatever.

Q. Is there any other circumstance or fact in connection with the matter that is material?—A. None.

Q. You have made a full and complete disclosure to his lordship of the character of the transactions, and the nature of them?—A. Decidedly, what I have stated is absolutely correct.

By Hon. Mr. Cassels:

Q. What is the class of goods?—A. General hardware.

Q. What nature?—A. Everything that is carried usually in a hardware store. We handle iron, steel, bolts, screws and cutlery.

Q. And these were imported by you, I presume?—A. Almost altogether.

Q. Where were they manufactured?—A. Some in the United States, others in Great Britain. Some made in Canada.

Q. Could the government have gone to the people from whom you bought and got them cheaper?—A. I do not think so, I am quite sure they could not.

By Mr. Watson:

Q. Did Mr. Duff make an examination of your books and contracts?—A. He did.

Q. Did you produce to him everything bearing upon the matter?—A. I did. I went through the books with him from start to finish.

Q. Everything was produced?—A. Yes.

Q. Nothing retained?—A. No.

J. M. M. DUFF recalled

Q. You made an examination of the books of this company?—A. Yes.

Q. Lewis Bros., Ltd.?—A. Yes.

Q. And did you go through the whole of their books and accounts?—A. By no means. I went through sufficient to satisfy myself as to the examination I was making.

Q. You did not go back of the years 1904 and 1905?—A. No.

Q. You took it from that time on, as you say?—A. Yes.

Q. What was the result of your examination?—A. It seemed to me very satisfactory.

Q. Have you any personal knowledge in the course of your business—you spoke of having been a merchant?—A. Yes.

Q. As to the proper selling price of this class of goods?—A. Oh, yes, their goods were sold very low, and I think I could point out one or two instances in which they sold for less than the goods cost them.

Q. There were considerable sales?—A. Yes.

Q. Apparently from what Mr. Lewis says, the transactions averaged about—A. I do not remember exactly.

Q. This looks like \$25,000?—A. He said about \$20,000. That is in one year.

Q. This is \$26,240?—A. Yes. The next year it may be less.

Q. And the next year it is \$32,855, and the next year, \$34,456; so that he was rather under the mark in his estimate; I think he took the whole 10 years?

Mr. LEWIS.—Yes.

By Mr. Watson:

Q. That is the explanation; he took the whole 10 years when he said about \$20,000?—A. Yes.

Q. So that the purchases from them have been pretty large?—A. Considerable.

Q. And did you take occasion to test in their books the selling price of these goods as compared with the selling price of similar goods to others?—A. To a certain extent I did.

Q. How did you find the comparison?—A. They compared favourably. The government prices are usually lower.

Q. Lower than the prices of others?—A. Not very much, but a shade lower.

Q. What about discounts or commissions?—A. Oh, their goods were, apparently, all sold net cash.

Q. Any evidence at all of any irregularity of that character?—A. None whatever, except you call it an irregular thing to sell goods for less than they cost.

Q. An ordinary retailer would sell these same goods at an advance profit of about how much?—A. Oh, from 25 to 40 per cent.

Q. Indeed?—A. Yes, retailers in the city would buy goods such as are sold by Lewis Bros., at the same prices, and then sell them in the city at 25 and 40 per cent profit.

Q. Twenty-five and 40 per cent more.—A. Some of them, not all of them. There are considerable quantities of heavy goods, rope and bar iron and steel, that are sold very low. Rope that costs 14 cents a pound is sold under 14½ and iron that cost 2 cents is sold for 2¼, and other things like that. Those are low prices, and the retailer would not get much more, but on shelf goods he would get 25 to 40 per cent.

Q. Beyond the prices stated here?—A. Yes, in many cases the retailers in the trade have to pay the same prices as are charged by Lewis Bros. to the government, and they make their profit after that.

Mr. WATSON.—In view of what you say and what Mr. Lewis has stated to his lordship I do not know that I have anything further to ask about it. I do not want to continue the time by useless cross-examination. I have no reason to doubt what you say and what Mr. Lewis has said.

WALTER F. B. HENRY recalled.

By Mr. Watson:

Q. You are of what firm or house?—A. I am manager for Watson, Jack & Co.

Q. And what is their business or line?—A. Commission merchants in heavy hardware, representing various mills in Great Britain and Germany, for the supply of iron and steel.

Q. In the same line then, as Mr. Lewis' house?—A. No, more in the same line as McCaul.

Q. Drummond McCaul?—A. Yes.

Q. Practically competitors with them?—A. We are.

Q. Is your house a large one, doing an extensive business?—A. It is.

Q. Large turnover?—A. Yes.

Q. My learned friend informs me that you are one of the largest houses in Canada in that particular line?—A. In that particular line, yes.

Q. How long have you been in the position of manager, and had personal knowledge of the transaction?—A. Well, all my business experience of 16 years has been with this house and its predecessor.

Q. And when did you commence to have transactions with the Department of Marine and Fisheries?—A. When the shipyard at Sorel was transferred from the Department of Public Works.

Q. To the Marine Department?—A. Yes.

Q. That is said to be about 3 years or so ago?—A. Yes.

Q. No transactions before that time?—A. Not with the Marine and Fisheries Department. Formerly our business was with the Department of Public Works.

Q. Did you have large transactions with that department?—A. No, not to a great extent, but about the same extent as we have since been doing with the shipyard, since it has been transferred to the other department.

Q. And about what is the average transaction, the amount of transactions yearly?—A. Well, for our line of business it has been a very small amount, \$3,000 to \$6,000.

Q. \$3,000 to \$6,000 a year?—A. Yes.

Q. That is comparatively small?—A. A very small amount for our line of business.

Q. With whom have the transactions occurred?—A. With Mr. Desbarats at Sorel.

Q. With any one else?—A. No.

Q. No other person?—A. We have had some transactions where the matter has been transferred to the deputy minister at Ottawa, and in these cases we have corresponded with him where large tenders have been referred to him, or we have had inquiries from him in respect to certain portions of our tender, or something for an explanation, in which case we have communicated with Colonel Gourdeau.

Q. The transactions have usually been the result of personal communication or advertisement, which?—A. The bulk of our business with the shipyard at Sorel has been placed with us after securing our prices. They would ask us by letter for quotations on certain materials, and we would quote that.

Q. But do you know where tenders were asked for by advertisement?—A. Well, I do not think so, for the reason that the transactions were not of a large amount, and consequently they would not be. I understand there is a certain limit when the transactions go over, where they are advertised.

Q. Do you know what that limit is?—A. I am not aware of it.

Q. You understand there is a limit?—A. Yes, I understand there is a limit.

Q. Do you know whether or not there was competition with respect to the purchases?—A. I should judge that there was very keen competition, from the number of times that we quoted and did not get the business.

Q. Was that oftener that way than otherwise?—A. Oftener that way.

Q. Oftener you did not get the business than you did?—A. Yes.

Q. Pretty conservative house. Perhaps you were high up in your prices. At all events generally, oftener there was somebody else that was lower?—A. Yes.

Q. Was there ever an occasion when you were the only person to whom application had been made to your knowledge?—A. Not to my knowledge.

Q. Do you sell by retail at all?—A. Not in the lines we sold to the government.

Q. Why did you sell to them at retail prices?—A. We did not.

Q. Did you not?—A. No.

Q. Did you sell to them at any higher prices than you sold to others?—A. No.

Q. How did the prices to the department compare with the prices to others?—A. Well, if anything, they were lower.

Q. What were lower?—A. The prices which we put in to the government were lower because we considered the competition was very keen for that business.

Q. If anything, the prices you got from them were lower than the prices you got from other purchasers?—A. Exactly.

Q. Has this prevailed during the whole of this time, three years?—A. Yes.

Q. What about commissions, percentages and allowances to any one?—A. We would not make them in our business.

Q. Were they made in any instance to any one representing the department, or connected with the department?—A. No.

Q. Did you ever hear of any such thing?—A. No.

Q. With your house or any other house?—A. No.

Q. Has it ever come to your knowledge in Montreal, as a business man, that there were such occurrences?—A. Merely rumour, which of course, could not be counted on.

Q. Have you ever had any evidence or information that would lead to justify that rumour?—A. No.

Q. Will you give me the name of any of the houses, if you please, with whom that rumour was connected?—A. I cannot recollect the name of any house at the present time.

Q. Had it any application whatever to your house?—A. No.

Q. Can you recollect the name of any house or person with whom that had connection?—A. No.

Q. Do you know of any basis for that rumour?—A. Absolutely none.

Q. Do you usually make discounts to purchasers?—A. It depends on how the prices are asked for. Certain firms ask for prices on certain bases of payment, and we quote them according to the way in which they wish to pay; that is to say, you are referring to this question of cash discount. Where a firm asks for quotations on a certain discount, we add it on before we figure up the price. In the case of the government, they ask for a net quotation, and we do not have to add it on.

Q. The purchaser does not get much advantage then by asking for a cash discount?—A. Not in our business.

Q. He gets it added on, and then taken off?—A. Yes.

Q. That satisfies him?—A. Yes.

Q. Have your books been examined by Mr. Duff?—A. No.

Q. Your transactions have not been very large?—A. No, they have been very small.

Mr. WATSON.—I do not feel justified in pursuing this matter. I have no reason to doubt what he has been saying.

By Hon. Mr. Cassels:

Q. I suppose the last statement means that if he buys on time you charge more?—A. Yes, exactly, it is taken into consideration in making the estimate of cost.

Q. It is not that you want to gull the purchaser?—A. No, not at all. It suits him better to put it in that way.

Q. It sounded rather bad, that is all?—A. Yes.

Mr. WATSON.—I think every one understands it. It is nothing new in the trade. Adjourned to 10.30 to-morrow.

MONTREAL, September 4, 1908.

Commission resumed at 10.30 a.m.

GEORGE CAVERHILL SWORN.

By Mr. Watson:

Q. I observe the name of your firm or company upon the list of those in Montreal who had more or less dealings with the Department of Marine and Fisheries?—A. Yes.

Q. Are you the head of that firm?—A. Yes, one of the partners.

Q. And what is your line of business?—A. Heavy and shelf hardware.

Q. And your business, I understand, is an extensive one?—A. Yes.

Q. Large business?—A. It is a large business, compared with businesses in Canada.

Q. How long have you had transactions with the Department of Marine and Fisheries? For about how many years?—A. Oh, off and on for eight or ten years.

Q. Eight or ten years past?—A. Yes, I think so.

Q. And about what is the average amount annually of your transactions?—A. The average for the past four years has been \$20,000.

Q. Considerable dealing then?—A. Yes.

Q. And with whom have you come in contact, with whom have your recommendations been?—A. Principally with Mr. Desbarats, in Sorel.

Q. Principally with him?—A. Yes.

Q. Before Mr. Desbarats took charge, with whom were the transactions?—A. That I do not remember.

Q. You do not remember?—A. No.

Q. And what class of goods have been purchased from your house?—A. Chain and tools, and occasionally bar iron, anchors.

Q. And for use for what purposes?—A. Well, sometimes for use in the lightships, I imagine, and in building the ships there, repairing the ships.

Q. The goods have been shipped or delivered at Sorel?—A. All sold and delivered at Sorel.

Q. The transactions through your agents or travellers are directly with your house here?—A. Directly with the house here. They send tenders and ask for prices.

Q. They solicit the tenders from you?—A. Yes, they solicit the prices, quotations, yes.

Q. Can you say whether or not as a rule tenders have been asked for by public advertisement in matters where you have furnished supplies?—A. Well, if we see a public advertisement we wrote down and asked for a tender; at other times they send us and ask for quotations.

Q. And, in your experience, which has been the rule, or occurred more frequently?—A. I could not tell you that.

Q. The advertisement or the other?—A. I could not tell you as to that, I am not aware as to it.

Q. In cases where supplies have been furnished by you, can you say whether or not there has been competition with you in the supply?—A. Very often I know there has been competition because we did not get the order.

Q. You did not get the order after making your tender or quotation?—A. No.

Q. Do you know of any case where it has been left exclusively with you?—A. I do not.

Q. You sell, I presume, practically altogether, by wholesale?—A. Altogether wholesale.

Q. No exception?—A. No exception at all.

Q. If you will allow me to ask it in this way, I would like to understand, for his lordship's information, to, why it is said that larger prices have been charged by you gentlemen to the government or to the department, than to your other customers?—A. Well, I think it is the disappointed people, who do not get the orders, who say that. I cannot give any reason why they make that remark.

Q. What is the fact?—A. Our prices are based upon delivery in Sorel.

HON. MR. CASSELS.—I think Mr. Caverhill ought to understand; I do not think there is any statement which points to him?—A. Oh, I understand that, sir.

MR. WATSON.—I thought he understood my question in that way?—A. We base our prices that we give the department, delivered in Sorel, packages free, which we charge to other people, and we put a straight profit on it, a reasonable profit on everything we sell. When we do not get the order we suppose that some person has gone lower.

Q. Then one simple question as to whether or not higher prices have been charged to the department than to your other customers, if you will allow me to put it in that way?—A. No, sir, we have not charged higher prices.

Q. How have the prices that have been paid by the department compared with prices paid by others?—A. Occasionally they get, what we call a very close price, on account of quantities. If they want a carload where another man wants one ton—the average purchase is a ton—the carload man would be quoted a little closer. That is the only difference.

Q. So that occasionally, the prices are finer to the department than to others?—A. They are a little finer, occasionally.

Q. But on the whole?—A. On the whole they got the same prices as our best class of customers large buyers. We recognize them as large buyers, and if they are buying carloads they did a carload price.

Q. And you treat them as your best class of customers?—A. Yes.

Q. And with regard to discounts, have you a system of discounts to purchasers?—A. You mean cash discount.

Q. Yes.—A. Well, we give 2 per cent, cash discount, to our ordinary customer: that is f.o.b., Montreal. The delivery in Quebec and the packages free offsets that. We make all our quotation direct to them, with that understanding, that the packages free and the freight about off-sets the cash discounts.

Q. So that when you deliver f.o.b., in all such cases, do you allow the cash discount of 2 per cent?—A. F.o.b. Montreal?

Q. Yes.—A. With the exception of very few goods. Two or three particular goods are sold net cash, but the majority are not. The majority are sold 2 per cent.

Q. How have your sales been made to the department? In the same way?—A. No, our sales have been made to the department net cash, because we make up a price taking the freight and the packages which we have to pay, our own packages, we have to pay the freight, and we figure on each order to give us the same profit as we would make with the customer, allowing him the cash discount. We figure each one separately, each tender is separately figured on.

Q. So that it is equivalent in that way, as you say, to the cash discount of 2 per cent to the cash customer?—A. To the cash customer it is equivalent; we make it an equivalent price.

By Hon. Mr. Cassels:

Q. Would there be any difference if you were to put your goods on board the government steamer instead of delivering them at Sorel?—A. I do not think so. We figure out that we expect each line of goods to pay us a certain profit, and we figure it that if we deliver it down there, we figure against the cash discount. We make it a net figure.

Q. Supposing the government instead of having them delivered at Sorel, were to have them delivered on board one of their steamers at Montreal?—A. They would get it cheaper.

Q. They having the cost of carriage?—A. Yes, they having the cost of carriage.

Q. Would it amount to anything in dollars and cents?—A. Very little on our goods; it is very cheap freight to Sorel.

By Mr. Watson:

Q. Then that course that you pursued—do I understand that is the rule or regular system, or the exception; that is that allowances are made whereby they get the same position as the cash purchaser who received the discount? Is that the regular course with the department?—A. With other people.

Q. No, with your house?—A. It is always with us that way. We figure on every line of goods we sell them, we make a price accordingly. They send us a tender, and we figure on each lot.

Q. Apart from the sales for cash—I am speaking of your own business, of course?
—A. Yes.

Q. Is there any system of discount?—A. On articles?

Q. Yes?—A. Oh, yes.

Q. On sales?—A. Oh, yes. They all vary, 20 per cent off some, 12½ off others 15 off others, ninety and four tens off others—it depends upon the article.

Q. Assuming I am a purchaser from your house, upon a credit, say, of three or four months, do you allow me any discount?—A. No, nothing, unless you pay cash, 30 days.

Q. That is what I wanted to know?—A. I thought you meant on each different line of goods.

Q. No?—A. No, there is no discount allowed.

Q. No discount for what is deemed cash?—A. No.

By Hon. Mr. Cassels:

Q. Where they get the discounts you speak of—are those sales to middlemen?—A. We give these to the department, but that is figuring on the price of each article. Most of our trade goods, or many of them, vary in discount, but that is a trade discount, not a cash discount.

Q. The government gets the benefit of the trade discount?—A. Oh, yes, always in making our price—always.

Q. The trade discount, where the middleman buys and sells to retailers?—A. Yes, where the middleman buys and retails, the government gets that discount.

Q. The government gets that?—A. Always.

By Mr. Watson:

Q. Always gets that?—A. Yes.

By Hon. Mr. Cassels:

Q. That is a trade discount?—A. Yes.

By Mr. Watson:

Q. What do you mean exactly by the middleman—not the ordinary retail merchant?—A. Well, his honour used the word middleman. I am the middleman.

Q. As between the manufacturer and the retailer?—A. Yes, we sell to the retail merchant.

Q. In the course of your purchases, and as between the real purchaser and yourselves, is there any middleman?—A. Do you mean the retailer?

Q. Yes; in retailing do you deal with so-called middlemen?—A. With the consumer?

Q. Yes?—A. I do not deal with the consumer. I deal with the retail merchant, but I do not deal with the consumer.

Q. I rather thought from his lordship's question—I may have misapprehension—that his lordship had in mind that there might be a middleman between the retail merchant and your house?—A. No, the retail merchant is the middleman between ourselves and the consumer. We are between the factories in England, France and Germany and the retail dealer.

By Hon. Mr. Cassels:

Q. You get your trade discounts from the manufacturer?—A. We do.

Q. Do you give the government the benefit of that?—A. Yes, all goods that are sold on trade discounts, the government gets the benefit. Some goods are bought net price from the manufacturer, and sold net price to the government, and sold net price to everybody. Some of our goods we sell net price to everybody. Cutlery, for instance, is always sold net price.

Q. You buy in Germany from the factory?—A. Yes.

Q. Do you get 30 per cent trade discount?—A. Yes.

Q. The government gets the benefit of that?—A. Yes, they get the benefit. Our price is based on it. That is our cost.

Q. You take that into account?—A. Oh, yes, yes, always.

Q. And figure out your profit?—A. Figure out our profit on that.

By Mr. Watson:

Q. You fix your selling price, having regard to the actual cost to yourselves?—A. Yes.

Q. And that actual cost takes into account the trade discount to the house?—A. Yes, we figure on that.

Q. Then, is there any purchaser, or any class of purchasers, who get advantages that the department does not get?—A. There is no class dealing with us who get an advantage over the government. They are recognized as on the bottom basis.

By Hon. Mr. Cassels:

Q. Could they buy it from the wholesale cheaper?—A. From the manufacturers, you mean? I am a wholesale man.

Q. I meant the manufacturer.—A. No, because they could not buy the quantity we do. It is in the matter of quantities. It has got to go through us, practically. If they went to a manufacturer they would be small buyers individually.

Q. They would not get the same trade discount?—A. No, they would not get the same trade discount.

By Hon. Mr. Cassels:

Q. Beyond that, would the manufacturer in regular business be content to sell to individual purchasers in that way?—A. Well, he would not like to. It would give a good deal of trouble, and then we would not like him to, either. We would give him trouble.

Q. It was that that I had in mind, rather. As a matter of regulation of business affairs, as between wholesale dealers and manufacturers—whether there is any rule.—A. It is an understanding with most honourable manufacturers that they allow us, unless it is a very, very large order—sometimes it is passed by us, but as a rule they deal with us.

Q. They deal with the wholesale men?—A. They deal with the wholesale as we deal with the retail men. They keep away from the retail men. We expect them to keep away from our customers.

Q. With regard to what has been said in the Civil Service Commission report and the basis of the commission to his lordship, bearing upon integrity or want of integrity, on the part of officials, have you any knowledge of any such matter?—A. I have no knowledge, we have never been approached by any official for a rebate, or for money or goods in any manner, shape or form.

Q. Have you any information, directly or indirectly by them or to them?—A. From my house?

Q. I ask you for information, directly or indirectly, out of your house or in your house?—A. No, I know of nothing. I could not say that I ever heard of anything definitely.

Q. Either of approaches by or to?—A. By or to.

Q. Personally, of course, you have no knowledge of any such thing?—A. I have no knowledge, no.

Q. And have you had any communication with other officials other than Mr. Desbarats?—A. Yes, I have.

Q. With whom?—A. With Mr. Gourdeau, the deputy minister, some years ago. I have not seen him for two or three years. Mr. Boyle, of Ottawa, occasionally comes

down to Montreal upon some special article. He is at Ottawa now. He used to be at Prescott. Occasionally he would be in town, and come in to talk about some copper, or something, and I think those are the only men of the department I have ever met. It is all done by writing, but it is very very seldom, perhaps once in six months a man may come in, if there is a special article, about which they want to show the blue print.

Q. That is a full state of facts so far as you are aware?—A. Yes.

GEORGE J. KILPIN SWORN.

By Mr. Perron:

Q. What is your occupation?—A. In connection with the Canadian General Supply Company, in the managing part.

Q. Where is the office of the Canadian General Supply Company?—A. P—31 St. Sachim street, Montreal.

Q. It is a commercial partnership, not incorporated?—A. No.

Q. Who are the members outside of yourself?—A. Mr. Murray Kennedy, of Quebec.

Q. Will you shortly tell me now what is the business of the Canadian General Supply Company?—A. Oil, especially.

Q. Now, since 1904, have you had dealings with the Department of Marine and Fisheries?—A. Every year.

Q. Every year since 1904?—A. With the exception of one year.

Q. What year?—A. I think it was 1905.

Q. Could you tell us what is the amount of your sales, about, every year?—A. They run from \$20,000 to \$25,000—from \$20,000 to \$24,000.

Q. That would be the average?—A. Yes, it varies.

Q. What would you sell to the government?—A. One grade of oil for lighthouse illumination; illuminating oil for lighthouse use.

Q. Where was this oil delivered?—A. All the way from Sarnia to Prince Edward Island, Halifax, St. John, and all points, as per instructions.

By Hon. Mr. Cassels:

Q. They were delivered by your house?—A. Yes.

By Mr. Perron:

Q. How did you come to get those orders for about \$20,000 a year?—A. By tender; every spring a tender was submitted to us, and the oil was made according to those specifications called for by the government.

Q. How many gallons would that \$20,000 represent?—A. About 100,000 to 110,000 gallons.

Q. Do I understand that the price would be about 20 cents?—A. It would depend upon whether it is in barrels or cases. It would be very much less in barrels than it would be in cases.

Q. Why is that?—A. The packing is so much more.

Q. What is the difference? Why were they buying by barrels and packages?—A. In barrels there is a quantity, approximately 45 imperial gallons. In the cases there is but 10 gallons, either imperial—or it used to be wine measure, now it is imperial.

Q. You have to meet some of the employees of the department in connection with those orders?—A. I would personally go to Ottawa and see, either the minister himself or his deputy.

Q. Colonel Gourdeau?—A. Colonel Gourdeau.

Q. And the contracts would be made there?—A. The contracts were issued right from the department in Ottawa.

Q. By whom were those contracts prepared, specifications and so on? Do you know the employee who prepared them?—A. I could not say; I do not know.

By Hon. Mr. Cassels:

Q. What do you mean by specifications?—A. The specification is an oil made for the purposes of use in lighthouses having a very high flash test, fire test, and of a certain specific gravity and that would about cover the particulars.

Q. It varies, I suppose, according to the position of the lighthouse?—A. No, it is one grade of oil, only supplied to all the lighthouses.

Q. I do not quite understand the expression 'specifications;' do they vary?—A. No, the specifications of the past few years have been identically the same.

By Mr. Perron:

Q. Do you state then that the only employee or official of the department you had dealings with would be Colonel Gourdeau?—A. Yes, with Colonel Gourdeau, and occasionally with the minister.

Q. But with any other officer of the department?—A. No.

Q. Are you the only people who do business of this class in Montreal, or in the country?—A. No, not the only people in the country. There is a concern in Petrolia, and the concern we obtain our supplies from is in Sarnia.

Q. Do you know if tenders were asked for in most cases?—A. As far as I know in every case.

Q. How do you know?—A. As far as I know they were issued in the ordinary way. They were typewritten tenders. I presume others were asked.

Q. Have you seen the notices posted?—A. Yes, they have been published in the newspapers.

Q. What would be your profit?—A. It would run from about 10 to 12 per cent. Twelve cent would be the outside profit.

Q. Is that the wholesale price?—A. It is the one price because there is no other concern using that oil. Nobody uses the oil, it is made especially for the government.

By Hon. Mr. Cassels:

Q. No competition?—A. There is competition on account of the other refineries.

Q. I mean to say the lighthouses?—A. Oh, the lighthouses—no, there is just the one grade that is made, especially for government use.

By Mr. Perron:

Q. So that nobody outside of the government is buying that grade or quality of oil?—A. No, not to my knowledge.

Q. What would be the profit you would charge to the general public, that you would take on orders from the general public? I am not talking of the special kind of oil, but other grades?—A. Oh, probably a little more than that, probably 15 per cent. Of course the large quantity the government take, they would get a very close price. It would be considered a close price.

Q. Do you mean to say the profit realized on the sales to the general public would be 15 per cent?—A. On other grades of oil, but not on this, because there is no other consumer.

Q. When dealing with officials of the department, what commissions have you paid?—A. We have paid no commissions whatever.

Q. Have you not charged a little more than you would have under ordinary circumstances?—A. No, sir.

Q. To individuals or anybody else?—A. No.

Q. Have you been asked for commissions?—A. Never been asked for commissions.

Q. I understand you to state to his lordship that there are no competitors, that you are the only persons selling this class of goods to the government?—A. Practically so. The competitor fell down upon every occasion that he tendered, seeing that he could not make the goods.

Q. Then there are others who are selling the same class of goods?—A. Yes, sir.

Q. Then the people must be your competitors?—A. So they are.

Q. What do you mean when you say that in most cases they fell down?—A. I say, as far as I know, they could not make the oil required by the government.

Q. Why?—A. I do not know why.

By Hon. Mr. Cassels:

Q. You mean it requires a special preparation?—A. It requires a special preparation, and I think our competitors were not in a position to make that grade of oil. I do not think they would do it.

Q. So that you contend you would be the only people who could supply this grade of oil to the government?—A. Virtually.

Q. Surely, if you have this advantage, you must have derived some benefit. You must have charged higher prices than you would under ordinary circumstances, if other people had been in a position to compete with you?—A. We did not know they were unable to fulfil this contract until after we had been awarded the business.

Q. So when you made your tender you were under the impression other people could compete with you?—A. Yes, indeed.

Q. And afterwards you found out they could not?—A. That is my impression.

Q. When did you find out they could not compete, that you were the only one?—A. Particularly one year ago this spring.

By Hon. Mr. Cassels:

Q. Is your contract for a year or term of years?—A. Well, one season. It runs from March. The supplies have to be at the different points of delivery by about the 1st to the 15th July, they should be.

Q. And then a subsequent year?—A. Another tender is called.

Q. On the same prices?—A. Well, they have varied, but the last two or three years I think they have been the same.

By Mr. Perron:

Q. Don't you think that on a large quantity like that—110,000 gallons, was it?—A. It varies; about that.

Q. That a profit of 10 to 12½ per cent is rather exorbitant?—A. No, I do not.

Q. Don't you think the government should get better terms than 10 or 12½ per cent on a large sale of this kind?—A. We have had to wait, at times, six months for our payment.

Q. Do you mean to say that a profit of 10 to 12½ per cent would be rather a small profit?—A. No, I think it is legitimate, I think it is fair.

By Hon. Mr. Cassels:

Q. What do you estimate profit? How do you use the term profit? How do you arrive at that? What do you take into account?—A. We take our actual cost, the cost of delivery at various points all over the country, and that is added to the price in the tender.

Q. Do you take into account the interest on your money invested in respect of the business?—A. We have to do that.

Q. Everything is taken into account in estimating your profits?—A. Certainly.

Q. Profit over and above all that?—A. Over and above all expenses connected with running one's business.

Q. Insurance and all that?—A. Yes.

ALEXANDER WOODS sworn

By Mr. Watson:

Q. You are associated with the firm or company of James Robertson & Co.?—A. I am, sir.

Q. A very well known company in Montreal?—A. Yes.

Q. I am quite sure it is in Toronto and other places.—A. Yes, we have factories in St. John—

Q. What position have you?—A. I am manager of this department—the department that has to do with this.

Q. How long have you been in that position?—A. Fifteen years.

Q. Fifteen years past, and during what length of time have you had business transactions with the Marine Department?—A. Ever since I have been in the firm.

Q. During that whole fifteen years?—A. Oh, yes, and before that, we have always had it.

Q. James Robertson & Company are manufacturers?—A. We are.

Q. As well as vendors?—A. Yes.

Q. You manufacture and you sell to the retailers, do you not?—A. Yes, and to the wholesalers, also.

Q. And your class of goods, for the most part, is what?—A. Well, all manufactures of lead paints, brass goods, castings, and then we sell all heavy kinds of hardware, like metals and pipe and fittings and valve and sanitary goods, a great many, all sanitary ware.

Q. About what is the average annual dealing with the department?—A. Well, speaking for the head office here, in Montreal, we only deal in Quebec province, we only deal with Sorel. The St. John house—I do not know whether the St. John or Toronto houses deal with the department or not, but we deal with Quebec.

Q. The St. John and Toronto houses are under local management?—A. Different management, they are entirely independent.

Q. A part of the company but different local management?—A. Yes.

Q. So that your dealings with or management have been limited to this province and to Sorel?—A. Yes.

Q. And what about is the amount of the annual transaction?—A. Oh, some years it will run heavier, but I should think the annual amount would be between \$12,000 and \$15,000, that is for this head office.

Q. And with whom do you come in contact, with whom are your negotiations?—A. Well, in the past it has been altogether with Mr. Desbarats, at present it is Mr. Papineau.

Q. Altogether with Mr. Desbarats until he went to Ottawa?—A. Yes.

Q. During the whole 15 years?—A. Ever since I have been there.

Q. Personal, verbal communication, or in writing, for the most part?—A. Well, it has always been in writing, but—

Q. Followed up perhaps?—A. It has been verbal, first, I have gone down to Sorel, occasionally, but the requisition, or tender form, has always been sent out afterwards. There is a certain routine has to be followed. Prices have to be in writing.

Q. There are other houses in your line?—A. Yes.

Q. Much competition?—A. Heavy competition.

Q. Manufacturers of the same class of goods?—A. Well, not manufacturers, but dealers in most of the goods.

Q. So that there is large competition in your line?—A. Yes.

Q. Can you say whether, in any case, you have had the exclusive privilege of tendering?—A. Never that I know of. We are always given a requisition which is evidently a copy, a manifold, you can tell it, there are evidently so many copies turned out. It is not the original and only copy. In fact that is the way it is done. I have seen it at Sorel.

Q. Do you recollect, whether or not advertisements have also appeared?—A. Advertisements have appeared, but we have never done business in that way. We do not believe it feasible to tender for a year on the class of goods we handle, as the prices change so much that at one part of the year they may be excessive, and another part of the year they may be otherwise.

Q. You have in mind that advertisements apply only to yearly contracts?—A. Yes.

Q. I understand that advertisements sometimes issue upon separate and special orders?—A. Sometimes they have appeared for a special bell, but we have never done that class of business.

Q. And do you always get the order upon your tender?—A. I wish we did.

Q. Do you mean to say as a rule you do or do not?—A. I think we lose more often than we gain.

Q. Some one lower than yourself?—A. Yes.

Q. By reason of the competition?—A. Yes.

Q. At what prices do you sell to the retail or wholesale?—A. The department has put on—

Q. Taking your course of business?—A. Oh, we are all wholesale. We do not deal in retail at all.

Q. You sell to the retail merchant?—A. To the retail merchant and large companies like railway companies, textile companies or people like that, or to the retail merchant.

Q. At what prices have you sold to the department?—A. The department is put on the same basis as the jobber. That is the same as we sell to the retail merchant or the railway companies.

Q. Then, following a question by his lordship, to Mr. Caverhill, do you know of any such thing as a middleman between you and the department?—A. I cannot understand that.

Q. I mean to say do you come in contact with that man anywhere?—A. No, we deal direct with the department.

Q. But in other dealings?—A. Do you mean do we sell other people and they sell the department?

Q. Yes?—A. No.

Q. A commission man, sort of middleman, between you and the retail houses?—A. No, we have not the middleman between us and the department.

Q. Does such a person appear ordinarily in transactions between you and retail houses?—A. No, we deal direct with the merchant.

Q. I gather that you do not know of any middleman at all in the course of your business?—A. No.

Q. The profits that he would expect you would take for yourself?—A. The profits are so small we cannot divide.

By Hon. Mr. Cassels:

Q. You sell to the shopkeepers?—A. Yes, the retail merchants around the city.

Q. You sell direct to the stores?—A. Yes, we manufacture and sell. We sell direct.

Q. What do you call the jobber?—A. Well, that is the same; that is a jobber.

Q. In a great many trades the manufacturer sells to what we would call the middleman?—A. We would, for instance, sell some lines of articles to wholesale hardware merchants. He would be a jobber. Take lead pipe, we would manufacture and we would sell to Caverhill-Learmont.

Q. The middleman would sell to the retail merchant?—A. Yes.

Q. And get his profit?—A. Yes. The government would get the same price from us as Caverhill-Learmont would get.

Q. In a great many trades it is done that way?—A. It is only in the manufacturing part.

By Mr. Watson:

Q. In the manufacturing part that applies?—A. Yes.

Q. You said early in your evidence that you dealt as well with wholesale people?
—A. Yes.

Q. It is in respect of the wholesale goods you manufacture?—A. Yes.

Q. There is no room for any one else intervening there for profit?—A. No. When we sell to Caverhill, as a wholesale man, he does not deal with the department, we deal direct with the department.

Q. The department stands in the same position as a wholesale house purchasing from you?—A. Yes.

Q. Is there any class of customers that gets an advantage over another in your purchases?—A. None, sir.

Q. Have you sold at less prices?—A. No, sir.

Q. To other customers than the department?—A. No, sir.

Q. How do the purchases by the department agree? What kind of buyers have you found them?—A. You mean the system they have of buying?

Q. No, I mean to any close or easy buyers, or what kind?—A. I think I have told you we lose most of the tenders, so they must necessarily buy rather close, because we figure on a very low profit.

Q. I do not know that we need go into the matter of your profit. At all events you say that you give the best terms that are going?—A. The best terms. Well, they are sure pay and we have not to take any financial hazard at all. We do not consider the financial hazard.

Q. It is said that sometimes, although sure, they are very slow?—A. Well, we have had to wait until the estimates are through, occasionally.

Q. Do you add to your prices by reason of that?—A. No, sir, we take our chances with them.

Q. You have mentioned the only officers or officials with whom you have come in contact, I understand. Do you know of any such thing as commission or percentage to you an official or other representative of the department?—A. The only representative I have come in contact with is Mr. Desbarats, and he is certainly above anything of that nature.

Q. Have you heard of any such thing?—A. No.

Q. Any approaches?—A. No, we have never paid a dollar for business.

Q. Or any approaches to any one to your knowledge?—A. No, sir.

Q. Even by hearsay, did you know of anything that affects or would affect the honesty and integrity of officials of the department in their business transactions?—

A. Nothing except what we heard in parliament.

Q. But as a matter of business transactions?—A. No.

ALBERT HUDON SWORN.

By Mr. Perron:

(A French reporter was sworn, but his services were not required, the witness stating he could give his evidence in English.)

Hon. Mr. CASSELS.—The rule I have laid down is this: If a witness can give his evidence in English it ought to be given in English. But while a witness may sometimes speak English fluently apparently, the time comes when he cannot express what he wishes to bring out except in his own tongue; then he ought to be at liberty to give it in his own tongue.

Mr. WATSON.—Yes, my lord.

By Mr. Perron:

Q. Mr. Hudon, you are a member of the firm of?—A. Hudon & Orsali.

Q. How long has this firm been in existence?—A. Thirty-six years.

Q. What is their business?—A. Wholesale grocers.

Q. Who are the members of this firm?—A. Mr. Alexander Orsali and myself.

Q. Now, have you had occasion to deal with the Department of Marine and Fisheries?—A. Yes, sir.

Q. For how many years?—A. Between 8 and 10 years.

Q. Have you been selling large quantities to them?—A. No, not much, between \$1,000 and \$1,500 a year.

Q. It is a small amount, but I suppose we should go into it now the witness is here? I will take the years 1904-5, 1905-6 and 1906-7—you have your books here?—A. Yes, sir.

Q. Will you tell me what have been your sales for those years on an average?—A. You take 1904, it was \$12,000.

Q. 1905-6?—A. Oh, about \$800. We make an average of between \$1,200 or \$1,500.

Q. And 1906-7?—A. About \$200.

Q. Well now, we will take the year 1904-5 which is \$12,000. That was a big year. Why were these goods delivered?—A. For the expedition to the *Arctic*.

By Hon. Mr. Cassels:

Q. What is that?—A. For the expedition of the *Arctic* to the north pole.

Q. Oh, yes.

By Mr. Perron:

Q. What were those goods composed of, most of them, let us know?—A. Groceries.

Q. What kind of groceries?—A. Flour, bacon and canned goods, meat and general groceries.

Q. Groceries?—A. Groceries, oh, heavy goods, you know.

Q. How did you come to get this order?—A. Well, by tender, sir, from a part of the department asking us for a quotation, for a price.

Q. Well, whom did you see in connection with those tenders?—A. I saw Captain Spain.

Q. Captain Spain?—A. Yes, and Colonel Gourdeau.

Q. Are these the only officers whom you had dealings with in connection with your sales to the government?—A. Yes, sir.

Q. Well, at what price did you sell those goods to the department?—A. Well, at the wholesale price. We have got only one price. Now you take—any one can see our price, because there is only one price in our line.

Q. What do you mean that there is only one price in your line?—A. You take, for instance, sugar.

Q. Yes?—A. The refiners give us a price, we have to sell the sugar at so much and get 4 per cent profit on the sugar, flour, and so forth.

By Hon. Mr. Cassels:

Q. Are you bound by the refiners to sell at that price?—A. Yes.

Q. You cannot sell below?—A. No, sir.

Q. Then you put your profit on that?—A. Well, the refiners give us a profit after three months, that is four per cent.

By Mr. Perron:

Q. Well, this would apply to the case of sugar only?—A. Well, sugar. You take canned goods, it does not amount to more than about 10 per cent.

Q. How is that, are you bound by the manufacturers also when you sell canned goods?—A. Not at all, but you see that is our margin, that is what we call our commission.

Q. I don't quite understand. You seem to say there is a fixed price so far as the grocery business is concerned?—A. Well, you see, you take our line, everything that

is being used every day by the consumers, you see, we base our trade on the big turn over, we make a little profit because we—

By Hon. Mr. Cassels:

Q. There is no obligation imposed on you by the refiners?—A. Not at all.

Q. You can sell at a loss if you choose?—A. Certainly.

Q. So it is just simply on account of competition, according to your statement, that you have to cut your margin of profit down?—A. Yes.

Q. That is what you mean?—A. Yes.

Q. Sugar being bought from certain places, every one gets the same rate, but when you compete with others you have to cut the price as close as you can; that is what it amounts to, I think?—A. Yes.

By Mr. Perron:

Q. Do I understand that the consumer or any person in business, the retailer, knows exactly what you should sell it at?—A. Not the retailer. Well, I mean—

Q. That the prices are so much the same everywhere that they are known?—A. Certainly.

Q. Well, what profit did you make on your dealings with the government, taking these years?—A. About $7\frac{1}{2}$ per cent.

Q. On all the goods?—A. Yes, about.

Q. That is the average on the total purchases?—A. The average on the total purchases. Some goods were a little over, some less, but that is the average, you see.

Q. Now, are you purely a wholesale concern, or do you retail?—A. No, sir, we don't make any retail.

Q. Just wholesale?—A. Yes, sir.

Q. Now, how would those purchases made by the government compare with sales made to other tradespeople?—A. It would be a big difference.

Q. What difference would there be?—A. Well, they would have to pay more money.

Q. Who?—A. If they were buying from the retailer.

Q. That is not what I mean. What I mean is this: How would the prices charged by you to the government for the purchase of \$12,000 worth of goods compare with the prices charged to other people by you, other customers?—A. Just the same price, we get only one price.

Q. You got only one price?—A. Yes, sir.

Q. Are you making discounts to other tradespeople?—A. No, sir; we sell goods on a cash basis.

Q. Well, do I understand you to say that the government paid exactly what the others would have paid?—A. I mean merchants.

Q. The merchant?—A. Certainly. We sell at exactly the same price, we have got only one price.

Q. Whether a man buys large quantities or small quantities, you have only one price?—A. There are different goods. If you take big quantities we have a special price, and this price the government or the other people have the same benefit of if taken in a quantity.

By Hon. Mr. Cassels:

Q. Could the department go straight to the refiner and pay the same price as you?—A. They cannot buy because they don't take the quantity.

Q. So they would not get the same rate as you do on account of not taking a special quantity?—A. Yes, your honour.

By Mr. Perron:

Q. Would that apply to all these goods, canned goods, flour, &c.—would they go to the mills and get the flour there?—A. No, sir.

Q. Why?—A. I don't know; because if they go there they will not have a better price.

Q. Then you?—A. No.

Q. Why?—A. Because those people have only one price for the wholesale trade.

Q. Well, now, how much commission have you paid on these sales to the government?—A. Well, where would be our profit? You see, there would be no commission at all.

Q. I am not asking you whether you made profits. You may have given away your profits in commission. Have you paid commission to anybody?—A. No, sir.

Q. Have your books been examined?—A. Yes, sir.

Q. By whom?—A. Mr. Duff.

Q. Did you show him all your books?—A. Yes, sir. I brought them here to-day.

Q. Have you shown him all the books and invoices he wished to see?—A. Yes, sir.

By Hon. Mr. Cassels:

Q. What quantity of flour did you sell to the government?—A. I mean by flour that we sold some rolled oats, some pea flour, some rice flour.

Q. What bread flour did you sell?—A. None. That they have taken from the Ogilvie people, you know.

By Mr. Perron:

Q. Well, now, the sale of goods you stated as being for the *Arctic*. Were the goods delivered to the *Arctic*?—A. Sure, certainly.

Q. We have heard about the *Arctic* and about the goods supplied to the *Arctic*. It has always been contended that the prices charged by the dealers to the government have been quite exorbitant?—A. No, not with us.

Q. Well, take your own case?—A. We will take our own case.

Q. Now, all the goods you sold were delivered to the *Arctic*?—A. Yes.

Q. Where?—A. Where? At Quebec.

Q. By whom were they delivered?

By Mr. Watson:

Q. Pardon me. Have you your books here relating to the *Arctic*?—A. Yes, sir.

Q. Let us see them please?—A. I will go and get them.

Q. Just wait, please. They are not here at the hall?—A. No, I have only got 1905 and 1907.

Q. What year was that?—A. 1904.

Q. For the contract?—A. Yes.

Q. Were the books audited for 1904, including the supplies to the *Arctic*, did Mr. Duff as accountant go through those items?—A. No, sir.

Q. That has not been done?—A. No, sir.

Q. It will be necessary for that to be done, my lord.

Hon. Mr. CASSELS.—Yes.

Mr. PERRON.—Right away.

By Mr. Watson:

Q. Then, I would like you to have those books here on Tuesday morning. Be kind enough to attend again with those books on Tuesday morning?—A. Yes.

JOHN D. OPPE recalled.

By Mr. Watson:

Q. You are sworn already?—A. Yes.

Q. Mr. Opp or Oppé?—A. Oppé.

Q. Thank you. You are of what house or business?—A. The Marconi Wireless Telegraph Company.

Q. And will you explain to me, is that an incorporated company?—A. Yes; it is incorporated under a Dominion charter.

Q. And the head office of the company is?—A. In Montreal.

Q. Is here. Do I understand that you are the manager?—A. Managing director.

Q. Managing director of the company. And how long have you been in that position?—A. Since the company was incorporated, five years ago, 1903.

Q. Five years ago?—A. Just upon five years.

Q. Will you state exactly what business you are engaged in, as though we had never heard of you?—A. Yes. Our business is the business of a telegraph company without wires.

Q. A telegraph company?—A. Without wires. We do telegraph work, but we do not employ the medium of electric wires for conveying currents; and we also equip vessels without apparatus, and we make a business of communicating with vessels, between vessels and our shore stations that we put up for that purpose. The object of that is to keep those boats in touch, and it is particularly useful when the weather is bad, foggy, with ice about and so on, and they can get reports from the shore and communicate with the owners, which would, of course, be impossible otherwise. Our business is also to communicate between Canada and England by means of this wireless telegraphy, at which Mr. Marconi and the company have been working for the last five years. We have been successful to the extent of establishing communication and have communicated a large number of commercial messages over the last six months or so. We are doing that commercially, that is our business.

Q. Then you are somewhat of an important feature or element in navigation?—

A. Very, very important.

Q. And what interest has Mr. Marconi in your company?—A. Well, he is one of the vice-presidents of the company, and he receives a salary from the company.

Q. I see. I assume he is a considerable shareholder?—A. No, not directly.

Q. Who is president of the company?—A. Mr. Andrew Allan.

Q. And probably he is one of the largest holders of stock of the company?—A. He is a holder of stock.

By Hon. Mr. Cassels:

Q. You equip the ships with your own men?—A. Yes.

Q. They are all under the company?—A. Yes.

By Mr. Watson:

Q. Then, Mr. Oppe, is there any one connected with the government or the department of Marine and Fisheries interested in your company, as a director or otherwise?—A. No.

Q. Not at all?—A. No.

Q. Ever been so?—A. No.

Q. You are yourself a shareholder, I assume?—A. I am.

Q. What is the capital stock of the company, do you mind telling me?—A. Five million dollars.

Q. How many offices do you have, what are your means of communication, from offices, local offices, throughout the country?—A. No. We have a working arrangement with the large telegraph companies on this continent, and in England with the British Telegraph Organization, which is the government, by means of which arrangement all their offices are available to us for the collection and distribution of messages; they send messages to our points for wireless transmission beyond land, except long distance.

Q. Then your agents have a further interest in the commissions or work done?—A. No. They get paid for their share of the work, and we get paid for ours.

Q. I see, just in that way. Then about what is the amount of money annually involved in the transactions with the department?—A. With the department?

Q. Paid to you?—A. I do not think we could put it on an annual basis——

Q. Well, how does it run? Take last year, 1907, how much did it amount to?—

A. Oh, I should think \$40,000 to \$50,000.

Q. I had in my mind it would probably be more than that?—A. No, not last year.

Q. Not last year?—A. No.

Q. How was it the year before?—A. Well, the total amount for the last five years has been \$220,000.

Q. \$220,000 during the last five years?—A. That is I am speaking from memory. Mr. Duff has the figures actually.

Q. How are your charges fixed, by contract?—A. Well, we make no charges to the government or to shipping on messages they send. That arrangement is one that comes under the terms of our contract with the government, and perhaps if you will allow me to make a short statement of that I can make it quite clear.

Q. Do so if you please.—A. I must go back to the time before the incorporation of the company.

By Hon. Mr. Cassels:

Q. Would you mind telling us before you go into that what is the nature of the business the government do?—A. They have vessels equipped with our system and they communicate with our stations, and they are interested in our system to this extent: The stations are employed and are available as aids to navigation.

Q. Yes.—A. Now, in 1902 Mr. Marconi succeeded in receiving signals on the coast of Newfoundland which were sent directly from England. They were in the form of the letter 's,' and Mr. Marconi then proposed to establish a large power station on the coast of Newfoundland, intending to exchange messages with that station. However, the Anglo-American Telegraph Company then maintained a monopoly of communication with the island of Newfoundland, and Mr. Marconi, fearing an injunction, was just about leaving Newfoundland to go home to England to consult his fellow directors as to what course to adopt. Sir Wilfrid Laurier had heard of these experiments, and seeing the great possibilities of wireless telegraphy he cabled to Mr. Marconi to come and see him. That was the beginning of the negotiations with the government of Canada. Mr. Marconi came to Canada and made a contract with Sir Wilfrid Laurier. I believe Mr. Fielding and Mr. Mulock were also interested in it as heads of their respective departments.

By Mr. Watson:

Q. Have you that contract?—A. I have. I have not a full copy. I showed it to Mr. Duff.

Q. I would like to see it as well, please.—A. Yes. Under the terms of that contract Mr. Marconi undertook to put up a large station in Canada instead of Newfoundland, and he was to receive from the government a subsidy of \$80,000; he was also to give the government the right to use the Marconi wireless telegraph patents for other stations without any royalty. That was part of the consideration. On the other hand the government undertook, in the event of desiring to put up any other wireless stations, to give the Marconi Company the option to put them up themselves, provided they carried out certain specified services, in order that the Marconi Company might benefit from the commercial tolls. That was the object. In any case the government was to get the benefit of the invention without paying royalties. Either they would put up the stations themselves, in which case——

Q. Does that apply to the use of all inventions?—A. All of the Marconi inventions.

Q. The government has the privilege to use all these without further fee or charge?—A. Yes, subject to the provision that Mr. Marconi himself or his company may elect to put up any stations required by the government at his or their expense

and they have the benefit of the commercial tolls, subject to certain services to the government.

Q. You mean if he or his company maintains them?—A. Yes, that was the first contract. On the basis of that contract Mr. Marconi started to erect a station at Glace Bay, and we used up the \$80,000. We have also used up in addition, I should think, about \$400,000.

Q. You spoke of a subsidy. I am not sure whether you meant to convey the idea that it was an annual subsidy?—A. No.

Q. Just one payment?—A. Just one payment of \$80,000; that is to say, as soon as it was expended; and in connection with that contract we have up to date expended, I should think, in addition to the \$80,000, \$400,000.

Q. The company has?—A. Yes, in addition to the \$80,000.

Q. As much as \$400,000?—A. Yes.

Q. In what, development?—A. Speaking from memory, Mr. Duff has the actual figures, no. First of all, with the permission of the government, we had to pull down the old station put up, move it to a new site, enlarge it and put in a new plant. That we have had to do two or three times, changing, modifying and so on. We have been carrying out those experiments, and as I say, in February last we started to do a commercial business.

Q. That is just February of this year?—A. Yes.

Q. And that indicates the basis, at all events of the business relationship between your company and the government?—A. Yes.

Q. The department. Yes.—A. Now, after that the government decided that they would have some of these small distance stations, what we call small stations, not trans-Atlantic stations, to be used for the purpose of aiding navigation. Under the terms of that contract they had the right to take and purchase apparatus from us, or to give us the option of putting them up ourselves. However, they wanted us to erect the stations ourselves as well as supply the apparatus, and they also wanted us to maintain and operate those stations in a more amplified form than was stated in the original contract. We thereupon came to an arrangement with them for signing a new contract on the basis of the old one, specifying certain stations to be erected, the conditions under which they were to be erected, and the additional price we were to get from the government for those additional services.

Q. Then the services that are rendered to the government as I understand, are not limited to navigation purposes?—A. No.

Q. But open for any and all purposes and every department, is that so, by land or by water?—A. Yes, that is so. So far as we are concerned all government messages on government business or departmental business we transmit free of any charge to the government.

Q. But do you mean you are in competition with the regular telegraph companies?—A. No, sir, not so far as the short distance stations are concerned. Of course, anybody can communicate with ships through us. We are to this extent.

Q. But are your communications confined to ships in navigation?—A. Not entirely.

Q. For instance, might your system be used between here and Vancouver, or between here and Winnipeg or Toronto?—A. Well, it never has so far and it has never been contemplated it should.

Q. That is what I wanted to know.—A. But it does apply from say Montreal all the way down the St. Lawrence to Belle Isle. We have a system of stations along there which communicate with each other and which are used almost exclusively to the elimination of the land lines which run parallel with it by the shore, because it has been found by practice that our system down the St. Lawrence is more reliable than the telegraph systems for special reasons which exist. The reasons are: It is a difficult country for land lines, there are certain places where they have to be carried across rivers and so on by cables which are subject to interruption by ice and other weather conditions. So our wireless is preferable.

Q. Then do I understand it is feasible and practicable to operate your system exclusively by land lines?—A. I do not follow.

Q. Well, may you enter into direct competition with telegraph companies and send your messages the same as telegraph companies send theirs, from point to point?—A. Yes, it is possible.

Q. Is it feasible and practicable?—A. Yes, it is feasible and practicable.

Q. That is what I wanted to know about. Then the contracts which have been made with the government are in writing, and I understand you have not those with you?—A. No. I have them in my office. Mr. Duff has seen them.

Q. Mr. Duff is engaged as accountant merely?—A. Yes.

Q. I would like to have the contracts here?—A. I can get them.

Q. With whom were the contracts made?—A. With the government of Canada.

Q. And what contracts were made with the Department of Marine and Fisheries, how many?—A. I do not think any have been made with the Department of Marine and Fisheries; they have all been made with the government of Canada.

Q. Indeed?—A. I believe so.

Q. Through whom?—A. Through the minister.

Q. Oh, yes. But through the Minister of the Marine Department?—A. Yes.

Q. Through Mr. Brodeur?—A. Yes.

Q. Your contracts have been made through him?—A. All have been made through the acting Minister of Marine, whoever it was at the time.

Q. Oh, yes, that is what we know?—A. At first, of course, Mr. Préfontaine, and also through Sir Wilfrid Laurier.

Q. During the temporary absence of the minister?—A. Yes.

Q. Those contracts are in existence. Will you bring them here on Tuesday morning, I would like to have a look at them?—A. Yes.

Q. Those contracts show the charges and the services. How did you arrive at the amounts to be paid? It is said you have been paid an excessive amount?—A. No, we have not.

Q. How did you arrive at the amount?—A. We arrived at the amount of the cost of construction of each station on the basis of an estimate of what it would cost us, which has been borne out by the stations we have put up from time to time and has served as a basis.

Q. That is the actual cost expended in construction and maintenance. And how much profit in addition to that?—A. As a matter of fact the sums we have received from time to time from the government on account of the construction and maintenance of those stations under those specific contracts are less than the amounts we have expended.

Q. Really?—A. Certainly.

Q. Do you mean that Mr. Oppe?—A. Certainly, absolutely.

Q. Do you mean that in respect to the contracts between your company and the government, your company has actually been at a loss?—A. *Qua* the government.

Q. In construction and maintenance?—A. *Qua* the government.

By Hon. Mr. Cassels:

Q. I think what the witness means is this: The government is interested in navigation and requires those stations to protect shipping; this company get a certain bonus from the government they supplement that by whatever they make out of their general business?—A. Yes, my lord. But as regards the government, the payments they made to us have not paid us for the work, they have been less.

By Mr. Watson:

Q. That may possibly be subject to explanation or qualification. It may be your profits otherwise have been more than enough to make up for the construction and maintenance?

By Hon. Mr. Cassels:

Q. It is a bonus towards the construction and maintenance of these stations?—

A. Yes, my lord.

By Mr. Watson:

Q. But you would not expect the government to construct and maintain the stations and allow you to make your profits independently?—A. We have not done so, no.

Q. You have not done so?—A. No.

Q. I see. Then what bonus have you been receiving since the first year?—A. Well, the contracts vary. There are two classes of stations: One is what is called a high power station and the other is what is called a low power station. The high power station cost to the government is \$10,000 per station for erection and construction and the apparatus, the low power is \$5,000. The cost of maintenance is \$3,500 for the high power and \$2,500 for the low power station. Now, I have a map there. If I might be allowed to show you, that I can explain how they are made and so on.

By Hon. Mr. Cassels:

Q. Are the government steamers equipped?—A. Yes, my lord.

Q. All the government steamers?—A. I cannot say whether all, but a large number.

Q. Who works the instruments?—A. The government have their own men on board and they work it themselves, but under the terms of the contract under which the shore stations are maintained. Now, I would like to show this if I might (exhibiting large map). These black spots (indicating) are where the wireless stations are. You see they start all down here, so we form a continuous chain right up to Labrador of these inter-communicating wireless stations. So, if a C.P.R. boat or any other boat equipped with the wireless system is coming in at Belle Isle or Cape Race, it is in communication by wireless telegraphy not only with the land, but with the main office in Quebec independently of anybody else. All these dots show the comparatively large number of stations that we maintain for that purpose. Now here is a station at Sable Island and another one at Halifax which we put up without subsidy from the government as part of the consideration for getting a subsidy on the other stations. Now, they can never put down a cable to that island because of the shifting sands, and they have for a long time been trying to get cable communication; so in addition to being an aid to navigation it is a valuable factor in communicating with the island itself. So valuable is it in the gulf here to have wireless telegraphy when it is particularly foggy at the beginning and end of the season that unless those stations are equipped up to Belle Isle it is a matter of experience that the boats prefer to come around the other way to Cape Race so as to have easier access to the channel; but as a matter of fact when the wireless stations are there they prefer the northern route; and it saves a good deal of time. It has actually happened that they wait until the stations are equipped.

By Mr. Watson:

Q. You claim your system operates greatly to the public gain?—A. In addition to that we post twice daily reports from all these stations showing what the weather conditions are, what ships are passing and so on. We supply those twice a day to shipowners and to all passing boats equipped with the wireless system so that they may know what the weather conditions are and what vessels are about. If fine, of course they don't need it.

By Hon. Mr. Cassels:

Q. Boats can go quickly in a fog if they know there is no other vessel there?—

A. Yes.

By Mr. Watson:

Q. Where do you get that information?—A. From our own stations.

Q. From each separate station?—A. Yes.

Q. Might I see one of those reports?—A. Yes. (Exhibiting report). Now, we receive these reports from every station twice daily and we send them out to the ship-owners, the Shipping Federation and the newspapers showing which station boats have passed at the time and the weather, so that every shipowner interested knows exactly where his boats are situated and the weather conditions there.

By Hon. Mr. Cassels:

Q. I understand boats speak with other boats, they can communicate with each other?—A. Yes; a number of boats are equipped with the system and all the important mail boats. The system is increasing rapidly. All the C.P.R. boats, eight or twelve of them, the government boats, the Reid Newfoundland and some of the cable boats are equipped with our system.

By Mr. Watson:

Q. That is where your profits are made, I assume?—A. Well, we look to profits in the future and we hope we will be able to make them both from the long distance and the commercial tolls in addition to the government subsidies. We have not so far done anything very much that way; it is a matter purely for the future. The whole enterprise depends on how much we are able to make out of the public, which the government, if it worked the system instead of ourselves, could not derive anything from.

Q. Do you mean to say that up to the present the returns to the shareholders have not been of any practical importance?—A. No, there have been no returns.

Q. Any profits up to the present?—A. No profits.

Q. Not including the subsidy and all the individual or company transactions?—A. No, sir.

Q. By reason, I assume, of the great expense of construction and maintenance, is that so?

By Hon. Mr. Cassels:

Q. No; for lack of business?—A. No; the business is not worked up.

By Mr. Watson:

Q. Well, I am much obliged to you for this information. Well, beyond that, what his lordship wishes to know particularly is with regard to the Marine Department and its officials?—A. Yes, sir.

Q. Now, what officials have you come into communication with during the last five years?—A. Well, no contract that I have ever negotiated with this government, and I have negotiated a number, has ever been done with any official but the minister for the time being, the actual responsible minister. The negotiations have been carried on with him from time to time in Ottawa, sometimes here—when he has been here he has telegraphed to me—and in every case they have been signed by the minister himself, after, I believe, the matters have been discussed in council; that is as far as the negotiations and signing the contracts are concerned. In carrying out the contracts we have come in contact with Colonel Gourdeau and Captain Spain.

Q. Any one else?—A. From time to time—I mean to say it might happen that we met Mr. Stanton or some of the others, but those were the gentlemen responsible for it, apart from the minister with whom we made the important negotiations.

Q. Then we have not the benefit of the contracts for the moment, but under the terms of the contract?—A. I can get them.

Q. I prefer to have them on Tuesday morning, thank you. Is it practicable for an official to give orders under which expenditures by the department will arise?—A. No, not to my knowledge. No. it is all settled by contract.

Q. All settled by contract?—A. All settled by contract.

Q. That is, the charges?—A. Yes.

Q. But are these subject to rise by reason of additional orders from time to time?—A. No, sir, no.

Q. Why would you come in contact, for instance, with Commander Spain?—A. We have in the last five years, I think, apart from the contracts, made sales to the government of \$500 worth for repairs to their boat.

Q. \$500?—A. That is the total. It is a most unimportant part of our business. That is not our business; our business is to act as a telegraph company, that is what we are established for. How I came into communication with Captain Spain is in this way: We have to make arrangements suitable to the government for the transport of our men and materials to these points every year and back from these points at the close of navigation, and it is solely in connection with that feature of our contract that I have come into connection with him.

Q. That is the transport of men by vessel?—A. Yes.

Q. For which you make an allowance to the government?—A. No, sir; it is provided for under contract. The government send up lighthouse supplies every year to their lighthouses and bring back men from different points, and we have to make our arrangements so that the government will know the number of our men; we have to find out when the boats are going and state what men and supplies and so on are to be provided for, and it is a matter that brings us in continual contact with the department, but does not involve any expenditure.

Q. Now, I may say to you that I received a communication asking that information should be obtained as to whether or not Commander Spain was interested in your company?—A. Yes.

Q. What do you say?—A. Well, he is not interested as far as I know.

Q. As a shareholder or otherwise?—A. Not as far as I know, no.

Q. You would know as manager?—A. No. He might buy shares in the company without my knowing it; but as far as I am aware he is not a shareholder, he has not a single share in the company. I am quite sure he has not. It would be quite impossible for the manager say of the C.P.R. to say on oath whether Tom, Dick or Harry was the owner of a share in his company.

By Hon. Mr. Cassels:

Q. What you mean, as I understand it, is that from the books and transfers—
A. He is not a shareholder.

Q. But stock held in other names might be held in trust for him?—A. It might be.

Q. It might be: That is all you can say?—A. I know he has never had any stock from me.

By Mr. Watson:

Q. Do you say that of any and every official?—A. Absolutely not a share of stock or any other kind of compensation whatever.

Q. Well, is it the fact that very frequently you have been in communication—I am not saying unnecessarily for the present—very frequently you have been in communication with him and with the Deputy Minister?—A. I don't think so, not more than usual.

Q. Not more than usual?—A. I have not seen—I don't think I have had any—no, I don't suppose half a dozen times in a season perhaps.

Q. Has any official any personal or private business transactions or interests with yourself or with any one connected directly with the company?—A. None whatever, absolutely none.

Q. You say so emphatically?—A. Absolutely none. The letter that you have received—

Q. I am not speaking of that.—A. But you mentioned it.

Q. Now, what information can you give to his lordship that affects the vital question here as to the honesty or dishonesty of any official, what act have you known giving colour to the business connection?—A. As far as I know, and as far as my knowledge serves me, there has been absolutely no dishonesty on the part of any official in connection with our business or any other that I know of.

Q. Any claims for commissions or percentages or gains, directly or indirectly?—A. None whatever, absolutely none.

Q. Any approaches at all of that character?—A. None whatever, absolutely none. I wish to speak very emphatically in view of the fact that you have received this letter, and it may emanate from jealousy in the department or some other cause, but as far as I am concerned I want to make it very clear that what is stated to you in the letter—the authorship of which you have not mentioned—is, so far as I am concerned, absolutely misleading and incorrect. I do not think our business was mentioned—

By Hon. Mr. Cassels:

Q. Out of fairness to Captain Spain who is not here—these things go abroad and leave suspicion, even the mention of them—I would like to ask Mr. Oppe: Is there any possible good Captain Spain could do to your company?—A. Absolutely none. I know he was enthusiastic, just as his minister was, because he knew it was a good thing. It was a new thing and he was proud of his connection with the introduction of a new thing to the department which had such benefits for shipping; but there were no means by which Captain Spain could get benefits personally out of the negotiations or contracts with us.

Q. Is there anything Captain Spain could throw in your way which would make it worth his while?—A. No, he could not do it, for, as I said before, all our negotiations were with the minister; after the contracts were signed the department had to carry them out.

By Mr. Watson:

Q. But your personal relations with some of the officials are very close?—A. They have been friendly.

Q. I beg your pardon?—A. They have been friendly.

Q. Particularly with the deputy minister and Commander Spain, is that not so?—A. I don't think I would say particularly friendly. I think my relations with any of the ministers I have been brought in contact with have been on an equally friendly basis.

Q. I have heard that same matter referred to as a 'cultivating friendship'?—A. No.

Q. I am not speaking of this relationship between other parties?—A. Of course, I have no knowledge of other parties.

Q. Has that been a matter of policy for the purpose of influencing, directly or indirectly, the ministers and the superiors to promote the business of the company?—A. I don't think we have ever looked at it from the point of view of policy at all, we have never been actuated by the thought of policy one way or the other. I know at times I have had quite sharp passages with the officers of the department, and at other times when things were going well we did not have any friction at all. I have never looked on it as a question of policy. I have carried out my part of the contract and expected them to do so too. When they have our relations have been amicable when they have not, very unfriendly.

Q. Have you at any time contributed, or have you information of any contribution, towards the expenses of any official in travelling or other entertainment?—A. No.

Q. I beg your pardon?—A. No.

Q. Directly or indirectly?—A. No.

Q. Is it a fact that Commander Spain is very frequently with you in travelling and excursions?—A. No.

Q. On any such occasions has there been anything else than the regular course of individual responsibility for expenses?—A. No.

Q. Is there any statement that you would like in conscience to make in regard to any of these matters?—A. None except what I have already stated.

Q. Then have you any further information of any kind directly or indirectly bearing upon this subject?—A. No.

Q. Have you had transactions with Mr. J. F. Fraser?—A. No.

Q. Do you come in contact with him at all?—A. I have met him.

Q. In a business way I mean?—A. No.

Q. Not with any others than those you have mentioned already?—A. No. I have met Mr. Doutre.

Q. Yes.—A. Of the department. I have met Captain Demers. I have had business with Mr. Doutre sometimes. I have met Captain Demers, I have met Mr. Stanton, I have met Mr. Anderson; in fact, I think I am pretty well known.

Q. Yes, I assume so. Then I think that is all, Mr. Oppe, thank you.—A. Might I ask one question?

Q. Quite so.—A. I do not think our firm was mentioned in this report here of the Civil Service Commission. I am not sure. Is not that so?

Q. Yes, there is some reference.

Hon. Mr. CASSELS.—Were all these contracts approved by the Governor-in-Council?

By Mr. Watson:

Q. Have you personal knowledge whether or not they were confirmed by the Governor-in-Council?—A. Absolutely; and by the Governor General.

Q. They have been?—A. Absolutely; yes, all my contracts.

Q. Mr. Oppe, you and other gentlemen understand that the scope of the Commission of his lordship involves an examination or cross-examination much on the lines I have indicated. It does not involve personal reflection upon the witness.—A. No, I understand that.

Hon. Mr. CASSELS.—I rather think any contract signed by the Minister has to be approved by the Governor-in-Council.

JAMES M. ROBERTSON, sworn.

By Mr. Watson:

Q. Your name, please?—A. Robertson.

Q. Mr. Robertson, you are of the firm of Thomas Robertson & Co.?—A. Yes.

Q. You are an incorporated company, your head office is here at Montreal?—A. Yes.

Q. And what line of business are you in, Mr. Robertson?—A. Metals, boiler makers' supplies and steam fitters' supplies principally; all kinds of metals.

Q. Not in the same line as James Robertson & Co.?—A. No. In boiler makers' supplies and metals I think we are perhaps a little different. Some goods are the same.

Q. And you are a large house as well?—A. Quite large.

Q. You have transactions with the Department of Marine and Fisheries?—A. We have, yes.

Q. Extending over what period?—A. Oh, a great many years.

Q. Twenty-five to thirty?—A. Yes, certainly that much.

Q. Perhaps longer?—A. Probably it is, I am not sure. It has been longer, probably 35 to 40 years.

Q. You have always practically been dealing with the department more or less?—A. Yes.

Q. And during the last 8 or 10 years or so can you say about the average amount of transactions?—A. Well, it varies very much. I suppose \$8,000 to \$10,000. It might average sometimes very much larger, at other times very much smaller. We are unsuccessful in getting contracts sometimes, and of course it varies very much.

Q. You are manufacturers, are you not?—A. No, we are not manufacturers.

Q. You are not manufacturers at all?—A. We manufacture lead pipe; that is the only thing we manufacture.

Q. Then you are wholesalers?—A. Yes.

Q. Do you sell by retail at all?—A. No, we do not. We sell to manufacturers and contractors principally.

Q. Manufacturers and contractors?—A. Yes. Construction, building, ship-building, boilers, steam-fitting plant.

Q. I mean a contractor here about to construct a building could make his purchases from you?—A. Yes, structural steel. If building a boiler he would buy plates; if a heating job he would buy pipes, boilers, valves and so on.

Q. That is in the nature of retail business?—A. Yes; but it is a large business.

Q. There is no middleman?—A. No, we do not sell goods to be sold over again to any extent.

Q. Then with what persons have your transactions occurred representing the department?—A. At Sorel usually Mr. Desbarats.

Q. Any one else?—A. Almost entirely him.

Q. Before him?—A. Mr. Howden I used to see very often.

Q. And since Mr. Desbarats left your transactions have been with Mr. Papineau, I understand?—A. Yes. I have never met him.

Q. Now, upon what basis have your sales been made with the department, retail or wholesale, how have they been?—A. They have been the lowest prices we could make.

Q. The lowest prices you could make?—A. We found that necessary usually to get the business.

Q. Do you say so?—A. Yes.

Q. I am speaking particularly of the last 8 of 10 years.—A. Yes.

Q. That is so you say?—A. Yes, we have had to make low prices.

Q. Still leaving yourself excessive profits?—A. No, we never had excessive profits.

Q. About what is the measure of your profit, do you object to say?—A. Well—

Q. Speaking of transactions with the department?—A. It varies very much, some of our tenders have been on a $2\frac{1}{2}$ per cent profit.

Q. Yes. You would require an extra one to average that up, a minimum and maximum, about what?—A. Well, of course a tender for a large amount of material would mean that the material would be imported direct to Sorel and it would be a very low margin of profit. If they bought goods from stock we made a profit of from $7\frac{1}{2}$ to 15 per cent it would be pretty fair to say.

Q. Had any individual or class of purchasers any advantage over the department in purchases from you?—A. No.

Q. Are you quite sure of that?—A. Certain.

Q. Is it not the fact when dealing with the class of people you have spoken of, contractors and the like, for you to make allowances and commissions, discounts?—A. No. Well some goods are sold at a trade discount, but there is no commission allowed.

Q. No commission allowed. What do you mean by trade discount?—A. Well, certain goods have a list price and a discount. It is very common in all businesses.

Q. Is discount ever given except for cash?—A. Trade discount is given on a great many kinds of goods.

Q. Yes. Has the Government received the benefit of any such trade discount, or the department?—A. Yes, in all cases.

Q. In all cases?—A. Yes.

Q. Are you quite sure?—A. Certain.

Q. Mr. Fyshe and his colleague were of the impression that the department knew nothing about these discounts, or had not taken the care to get any advantage of such discounts?—A. Well, they always have with us.

Q. Then with regard to officials, are there any officials from the head office, from the department that you come in contact with?—A. Not very much. It is usually by letter. Of course, occasionally we do.

Q. Have you known of any approaches or transactions in the way of commissions or gains or advantages to any officials?—A. No, I have not.

Q. Have you ever heard of any such thing in your business transactions?—A. No, I never did.

Q. Or any information that affects the matter of want of conscience or good business morality in the transactions with your house?—A. No, nothing of that kind.

Q. I mean on the part of the department or the officials of the department?—A. No, I never saw anything of that kind.

Q. That will do.

By Hon. Mr. Cassels:

Q. Where do you get the goods, Mr. Robertson, that you do not manufacture?—A. Well, we buy—our largest line is various kinds of steel—principally from the United States, but a large quantity from Great Britain also and the continent.

Q. Dealing with these small purchases, could the government have gone and got the goods for lower prices?—A. I don't think they could.

Q. What would be the reason?—A. Well, we represent the makers in some lines and would sell at makers prices, getting a small commission as agents.

CHARLES H. GODFREY, SWORN.

By Mr. Watson:

Q. Mr. Godfrey, you are of Montreal, and I understand of the Montreal Steel Works?—A. The Montreal Steel Works, Limited.

Q. What position have you in the company?—A. Vice-President and Treasurer.

Q. Your company is, I understand, a very large, extensive company, with large transactions?—A. Yes, a very large company.

Q. Your transactions with the department are measurably large?—A. Well, moderately so.

Q. Averaging about what?—A. Averaging about from \$8,000 to \$10,000 a year, sometimes a little more and sometimes a little less.

Q. And what do you sell to the department?—A. Steel castings.

Q. That is for their— A. Dredge work.

Q. Dredge work?—A. Principally for dredge work.

Q. And from whom do you receive the orders?—A. We have a contract.

Q. A contract?—A. Tenders are advertised for, for the year, the year's requirements for the department, and we put in our tender for the goods for the year.

Q. So it is a matter of yearly contract?—A. It is a yearly contract.

Q. For the supply of all steel?—A. Steel castings.

Q. That may be required during the year?—A. Yes.

Q. Is the amount left open, or specified?—A. The amount is left open to the department for their requirements.

By Hon. Mr. Cassels:

Q. What is the nature of these steel castings?—A. They are these teeth for the dredges and the buckets for the dredges and different works, small gear wheels of different shapes and sizes.

Q. For the equipment of the dredges?—A. Largely the dredges and other work at Sorel.

Q. The word 'castings' I did not quite understand?—A. It is the acid open hearth system.

Q. You mean by castings not moulds?—A. Not the casting itself. It is like the lip of the dredge, the teeth and the small gears.

Q. That is part of the dredge?—A. Yes, it is, but they are supplied by us in the rough.

Q. Supplied by you in the rough?—A. Taken out of the moulds and cleaned, but not machined, supplied in the rough.

By Mr. Watson:

Q. Then, where are they completed?—A. At the Government shops at Sorel.

Q. The Government have regular shops or offices for that process?—A. So I understand.

Q. I see. Then you have competition in the supply?—A. Yes, we have competition.

Q. What houses or business companies?—A. There are two companies in Canada, and in addition to that there is American and English competition, foreign competition.

Q. Yes. What other companies in Canada?—A. There is the Ontario Steel and Iron Company.

Q. Yes?—A. And a company at Owen Sound, Mr. Kennedy's company. William Kennedy & Son is the name.

Q. Then you say that tenders are asked for by public advertisement at a period of each year?—A. Yes.

Q. And responded to, tenders are sent in?—A. Yes.

Q. And how comes it that the lowest tender is not always accepted, do you know?—A. I believe that the lowest tender is accepted.

Q. Do you? That is your experience?—A. That is my experience.

Q. And sometimes you get it? Do you always get it?—A. Not always. We have lately; the last two or three years we have got it.

Q. Yes, I think I observed you were continuously on for some two or three years?—A. Yes.

Q. Then at what prices have you sold to the government as compared with the prices that you have sold to others?—A. The same prices for the same class of goods.

Q. Neither more nor less?—A. Neither more nor less, for that class of goods, but the government work being a large contract we could take it a little lower than we would for a small user.

Q. I see. Is it a fact then that you have filled their contracts at lower prices than you sell to others for?—A. Yes.

Q. By reason of the measure of the amount?—A. The measure of the amount and our experience of the work. We knew what we were tendering on because we had certain experience of the work.

Q. Then in any cases has the department suffered, or rather not gained, by not having the lowest price practicable to obtain?—A. They have had the best price from us.

Q. I see. Have you any knowledge of any middlemen or any commission to individuals?—A. None whatever.

Q. Official or otherwise?—A. No, none at all of any kind directly or indirectly.

Q. No approaches from any individuals of any such thing that you have personal knowledge of or that you have heard of?—A. No, none, none.

Q. Do you know of anything that would unfavourably reflect upon the integrity of any official?—A. Quite the reverse. From my experience I have the highest opinion of their integrity.

Q. You say so?—A. Emphatically.

Q. Those matters, as I understand you, are without qualification?—A. Without qualification.

Q. That is all, I think, Mr. Godfrey.

EDWARD SHORE, sworn.

Mr. WATSON.—Pardon me, Mr. Shore, for a moment. I find this gentleman, Mr. Howard, is exceedingly anxious to get away. I will let you away before luncheon.

THOMAS P. HOWARD, sworn.

By Mr. Watson:

Q. Of what house or business are you?—A. The Phoenix Bridge and Iron Works, Limited, sir.

Q. Oh, yes. What position have you in the company?—A. General manager.

Q. You have been in that position for some length of time?—A. Since the business started, sir.

Q. That is how many years ago?—A. Ten or twelve years now.

Q. Your head office is here in Montreal?—A. 83 Colborne street, Montreal.

Q. And you have had transactions with the Department of Marine and Fisheries?—A. At Sorel, sir.

Q. To what amount?—A. Very small. Since January, 1904, the whole thing does not amount to more than \$9,000 or \$10,000.

Q. During that period of four years?—A. During the whole time.

Q. Four and a half years?—A. Four and a half years.

Q. Not more than \$10,000 altogether?—A. Altogether.

Q. And before that time?—A. We were not in business—well, before that time very small. I do not know it was hardly anything to speak of. Our business with the government has been very largely in special rivets, which, previously to that time, we were not manufacturing.

Q. Special rivets for dredges?—A. For dredges, ships.

Q. And your transactions have been with what individuals?—A. Inquiries for quotations came in from Mr. Desbarats.

Q. From any one else?—A. No, I never saw any other.

Q. Is there competition in your line with these rivets?—A. Oh, decidedly.

Q. It is not a class of rivet that is made exclusively by your company?—A. No. Mr. Robertson who was in the box a minute ago manufactures the rivets, also the Montreal Rolling Mills, the Toronto Bolt and Forge Company.

Q. So there is considerable rivalry and competition?—A. Lots of it.

Q. What kind of prices do you get?—A. We have got to get down to the lowest price to get their business.

Q. Do you?—A. Always.

Q. Always?—A. Always. I never knew an order that was not at the lowest price we could afford to make it.

Q. That is during the period of four years?—A. Yes. We have had supplies in the way of structural shapes, bolts, channel angles, but only in small lots from stock, perhaps where they were in a hurry Mr. Desbarats on one or two occasions telegraphed to find out whether we had certain material in stock; then he telegraphed to the Dominion Bridge Company and found out what they could do, and the Structural Steel Company. Sometimes we got the order, sometimes we did not.

Q. Then have you met any other officials or employees of the department in a business way?—A. None whatever.

Q. So that you know nothing of them?—A. Nothing whatever. Mr. Desbarats is the only one I ever came in contact with.

Q. I see. Then perhaps it is only, or rather quite, reasonable that I should not pursue the same line of questions. You have no knowledge at all, I assume of any irregularities?—A. Absolutely none. I say one thing: Mr. Desbarats, in my opinion, was one of the closest buyers we had on our books.

Q. I see. Thoroughly conscientious and straightforward?—A. Absolutely, sir.

Q. That will do; thank you. Now, Mr. Shore.

EDWARD SHORE (recalled).

By Mr. Watson:

Q. Mr. Shore, of what firm are you?—A. McColl Bros. & Co.

Q. What position have you in the company?—A. I am manager of the Montreal branch.

Q. And the line of business?—A. Oils, lubricating oils, specialties.

Q. Exclusively?—A. And mill specialties.

Q. And you have had transactions with the department?—A. Yes, sir.

Q. To a considerable extent?—A. No, from \$10,000 to \$11,000 in the last four years.

Q. That is all?—A. That is all.

Q. \$10,000 to \$11,000 during the last four years?—A. Yes.

Q. Let me ask you, have the transactions with your company been the subject of criticism at all from any source? I want to find if you can assist me in a line of inquiry?

Hon. Mr. CASSELS.—The lubricating part of it.

Mr. WATSON.—Yes.—A. I know of no questions that have ever been passed upon our transactions with the government.

Q. Now, my learned friend hands me at this moment a reference in the report of the Civil Service Commissioners, page 76. 'Kantslip. March 14, 1905. Letter from department asking explanation of bill from McColl Bros. & Co. for Kantslip.' What is that, a ship?—A. No, it is a belt clutch, a belt dressing that they apply on belts in order to lengthen the life of them and give better service.

Q. '\$548. With the present information in my possession, I am inclined to believe that you have ordered a very large amount of this material for which the department has no present use.' Then it follows up: 'March 16, 1905. Gregory replies that stuff was purchased on direction of the Hon. Mr. Préfontaine on the wharf at Quebec, who directed me then and there to give a good order to the agent of McColl Bros. & Co., Mr. Leo C. Walsh, who stood beside him at the time. This was over a year ago. I gave an order to Mr. Walsh as requested, and when the goods arrived I was somewhat surprised at the size of the packages, and I refused to take them; and a lengthy correspondence took place between McColl Bros. & Co., and myself on the subject—in fact, I declined to give them any more orders. Subsequently I received a letter from the late Minister, as well as another from Hon. Mr. Fitzpatrick, copies of which I herewith enclose. An opportunity some time after occurred when I saw the late Minister here and spoke to him, as it seemed to me that that firm had taken advantage of his kindness about the matter. He told me to keep the goods and try to get rid of them to the best advantage, which I did by distributing them around where I understood the Kantslip could be used on belts, &c. If any has been sent where it was not really required, I shall see that it is removed where it can be used to advantage. The new system now established of informing you immediately of any order I may receive from the Minister or Deputy Minister verbally will avoid for the future any misunderstanding.' Mr. Shore, that seems to carry with it some reflection upon the transaction. Have you a knowledge of this matter?—A. No, I think that was before my time.

Q. This is 1905, the correspondence between the department and Mr. Gregory commences on March 14, 1905. I understand you had been there since 1904?—A. I have been there for about four years. What was the date of the invoice? I don't seem to remember taking the order.

Q. Have you got your books here?—A. I have the ledger sheets.

Q. Have you got any for that year referring to that transaction?—A. 1905?

Q. Well, the correspondence is marked 1905. I have not the invoice. I assume it was some time in 1904. The amount is \$548 and some odd cents?—A. This will be one, I presume, 'Six kegs of kantslip, \$540.

Q. That is the one. What date is that?—A. That was shipped March 3.

Q. What is the date of the order?—A. February 28, 1905.

Q. Whose writing is this?—A. That is the clerk's in the office.

Q. Yes. Who took the order?—A. Mr. Walsh, our traveller.

Q. Mr. Walsh?—A. Yes.

Q. Where is Mr. Walsh?—A. He has since left our employ.

Q. Yes; but where is he?—A. I don't know.

Q. Have you any knowledge of his whereabouts?—A. None.

Q. Is he not still in Montreal?—A. Not to my knowledge.

Q. Is he in this province?—A. Not to my knowledge. The last I heard of him he was in New York.

Q. That is what I wanted to know. You heard of him last in New York?—A. Yes.

By Mr. Perron:

Q. When was that? I should like to know.—A. I couldn't place it, but I think some time this year we had an inquiry from a guarantee company, who stated Mr. Leo Walsh had made application to some concern in New York and asking us for particulars of his work while with us.

By Mr. Watson:

Q. I see. When did he leave you?—A. Mr. Walsh left us in 1906.

Q. What time in 1906?—A. I think the spring.

Q. The spring of 1906?—A. That is speaking entirely from memory.

Q. And you have not had to do with him or he with you since then?—A. No.

Q. And you cannot give any information. Where was his home originally, here in Montreal? Where would we get in communication?—A. He lived for some time in Sorel and then in Quebec. His home originally was in Quebec; he is a Quebecer.

Q. Yes. But that is all you know about him?—A. Yes.

Q. Then how did your house pay him?—A. Salary.

Q. Salary?—A. Salary.

Q. And commission?—A. No; and expenses.

Q. And expenses?—A. Yes.

Q. Then how did he get in his 'rake-off' in this matter?—A. He got no rake-off.

Q. Eh?—A. He got no rake-off.

Q. How do you know?—A. Because we did not pay him any.

Q. You did not pay him any?—A. No.

Q. What report did he make in regard to this transaction to your house?—A. He sent the order in to be filled.

Q. Yes.—A. Just as that sheet calls for.

Q. Yes. Where is the original order?—A. That would be in Toronto, at the head office, those orders.

Q. Would it indeed?—A. Yes.

Q. Then where is the correspondence that accompanied the order, would that be here or in Toronto?—A. I think that would be here, but I doubt whether there would be any correspondence.

Q. I am not asking whether you think there would be or not. If there was it would be here?—A. Yes, I think so.

Q. Then, will you be good enough, Mr. Shore, to look up and find that correspondence, if there is any?—A. Yes.

Q. That is at this time, February 28. You have in mind the dates?—A. Yes, February the 28th.

Q. Before that and after that.—A. Yes.

Q. Any correspondence between Mr. Walsh and your firm or members of your firm?—A. Yes, relating to that order.

Q. Relating to that order and to departmental business?—A. Yes.

Q. Have you got your letter books and correspondence on file in a systematic way?—A. We have no letter books.

Q. Why?—A. We always use a duplicate system, a carbon copy. Where the letter is not important we do not take a carbon copy of it. I always tell the girl what letters to take carbon copies of.

Q. Yes. At all events the records will be available is that so?—A. Yes, oh, yes, whatever records we have will be available.

Q. Have you any knowledge of irregularities in connection with that?—A. None.

Q. Eh?—A. None.

Q. You answer distinctly with regard to that?—A. Oh, absolutely.

Q. Then who would have the knowledge of the irregularity that is referred to in this correspondence?—A. If there were any irregularity that would be entirely with the traveller.

Q. With the traveller?—A. We would know nothing of it; we could know nothing of it. He would not tell us, because his position would not enable him; we would not permit that sort of thing.

Q. I thought travellers sometimes were given credit for cleverness in obtaining orders?—A. Well, if they use legitimate means they are given credit for it always.

Q. This apparently was an unusually large order of this material, Kantslip?—A. Oh, no, we sell as large quantities to other buyers.

Q. Did you ever sell any such quantity to the department?—A. I do not think—I could not positively say that we did or not.

Q. You say this Kantslip is to be used on belts?—A. Yes.

Q. A sort of lubricator?—A. Yes. We sell to a number of other firms much larger quantities every year.

Q. \$548 would pay for what quantity of this lubricator?—A. About 1,100 pounds.

Q. About 1,100 pounds?—A. Yes, about that. It would give it here. (Referring to invoice). 1,200 pounds. The order was not an extraordinary one. When the traveller sent it in I did not think it would call for any special remark on our part.

Q. When was it paid for?—A. February—March 20, 1906, the balance was paid for.

Q. Then there was correspondence between your house and the deputy minister with regard to this?—A. Not to my knowledge. I don't think there was any correspondence.

Q. I should think there would be following up correspondence such as we have here on record?—A. I think we asked for payment.

Q. Yes?—A. And I don't think there was any correspondence. I can look up and see, but there was not any to my knowledge, speaking from memory.

Q. Well, we will have to have an investigation of that. You have not looked that up at all?—A. No.

Q. You have not been asked to look up that correspondence?—A. No.

Q. Then did you have any direct communication with any minister in regard to this order or any one else?—A. No.

Q. Eh?—A. You mean before the order was—

Q. Before or after the order was given?—A. No, not to my knowledge. We had no communication with the minister at all about that matter.

Q. Why do you say 'not to my knowledge'?—A. I am speaking from memory. I do not think—no, we never at any time had any communication with Mr. Préfontaine, and he was the minister at that time. We never at any time had any communication with Mr. Préfontaine.

Q. What were the relations between your house and the minister or officials of the department? What would lead to the statement by Mr. Gregory in this letter that the minister desired that as much favour—or words to that effect—should be given as possible, that he should give as large an order as possible to the agent of McColl Bros.?—A. Mr. Walsh was a friend of Mr. Préfontaine's. I understand that as a friend he knew him, but in what way I never knew. I mean to what extent their relations extended I don't know; I never did know.

Q. Yes?—A. Mr. Walsh used to get orders and simply turn them in to us. The business never paid.

Q. What?—A. The business was not a paying one.

Q. Not in respect to these orders?—A. Not in respect to these orders, no. We did a great deal of experimenting in turning out goods in order to meet their requirements, and we were always being promised large orders, but the large orders never materialized. As a matter of fact, on the business in the boiler compound we did with the government it showed a heavy loss.

Q. A heavy loss?—A. Yes.

Q. This apparently was a profitable transaction?—A. Oh, no.

Q. What profit did you make on this transaction?—A. Our gross profit would not be more than about 20 per cent.

Q. Your gross profit?—A. Our gross profit.

Q. And what about your net profit?—A. That would be probably in the neighbourhood of 12 to 14 per cent.

Q. Twelve to 14 per cent on that order?—A. Yes.

Q. I see. The net profit after taking out the cost?—A. The office expenses and selling expenses.

Q. Twelve to 14 per cent. How does that compare with your average profits?—A. Our average gross profits are about 29 per cent.

Q. Twenty-nine per cent?—A. Yes.

Q. And the gross profit here was about 20 per cent?—A. About 20 per cent.

Q. So it is not up to the mark then?—A. Not up to our average, no.

Q. Then in dealing generally with the department what kind of prices did you get?—A. Well, I think our average business with the department—our books would show the average profit, that is the average net profit, of not much over 9 per cent.

Q. Yes.—A. Just about the same. Our regular business runs about 9 per cent net.

Q. Your regular business?—A. Yes.

Q. And with the department was it any more?—A. Oh, no, no.

Q. Then what gains accrued to your company by reason of these transactions?—A. Just in the regular course of business.

Q. The regular course of business?—A. Yes; and as I say, on that boiler compound, a special line, we lost money heavily. It does not show on the books at all what we spent in labour, general experiments, time lost and so on.

Q. Then have your books been examined by the auditor?—A. Yes.

Q. That is Mr. Duff?—A. Yes, sir.

Q. Did you show him the books relating to this transaction?—A. Yes, sir.

Q. 1905?—A. Yes, sir.

Q. You did not show him the correspondence?—A. No, sir.

Q. It will be necessary to get that. If you will kindly have that in hand?—A. Yes, sir. I am not at all sure there will be any.

Q. I want an investigation, and then your statements in regard to it afterwards before his lordship?—A. Yes.

Q. So that we may probe as far as possible what there is in this. Mr. Walsh will probably be able to tell more of it. Now, he says he refused to take them—that is, Mr. Gregory—refused to take them. Do you know Mr. Gregory?—A. I never met him.

Q. Do you know whether he was a very exacting gentleman in business matters?—A. Yes, I know he is. That is, by reputation I know he is.

Q. Very precise and accurate?—A. Yes, extremely so.

Q. I am very glad to hear it.—A. In fact I would say to the extent almost of crankiness.

Q. In the interests of whom?—A. Of the affairs he was conducting, of his own business, that is his work.

Q. You mean departmental business?—A. Departmental business, which is the only way in which we came in contact with him at all.

Q. That was the result of your communications with him, was it?—A. Yes.

Q. Then were you in the habit of receiving orders from him personally?—A. Yes, we got orders through our traveller from him.

Q. During what period?—A. During the period that was referred to in the subpoena, from 1904 to 190—

Q. Orders from Mr. Gregory?—A. Yes, up to about until 1904-5-6. I don't think we had any after that.

Q. Then how did you find the transactions with Mr. Gregory, did you get paid?—A. Oh, yes.

Q. Paid in what way, through the department or Mr. Gregory?—A. By cheque from the department.

Q. What commission was paid to Mr. Gregory?—A. Oh, none.

Q. What?—A. None.

Q. Where did he come into it?—A. He didn't come in at all.

Q. Who did; what name was it put in?—A. Nobody got any commission.

Q. What name did you call it?—A. Well, we never gave anybody anything; we didn't have anything to give anybody.

Q. That is what you say. I ask you that because it has been said it was more or less a practice to make such allowances or commissions?—A. Well, not with our house; not as far as our dealing with the government were concerned.

Q. Have you ever known of any such thing with him or any one else connected with the department?—A. No, never.

Q. Eh?—A. I would not like to think that anybody had suggested it with Mr. Gregory, for from my experience with him, he was a man of extreme uprightness.

Q. Eh?—A. He was that, as I say, to the extent of crankiness.

Q. And that was as distinguished from others, more so than others in the department?—A. His dealings impressed me as a man who was very careful that everything should be exactly as it was ordered and in no way in variation from the written instructions.

Q. I see. You mean particularly so as distinguished from other officials?—A. Well, in the regular run of business if a man is a day or two late in shipping an order there is usually not any very great fuss kicked up about it.

Q. I see. Then will you be kind enough to come in on Tuesday with the correspondence and the other entries in the books relating to this order, and particularly the dealings with Mr. Gregory personally, Mr. Shore?—A. Yes, sir. That is the correspondence in relation to that one order?

Q. Yes, and the other correspondence with Mr. Gregory as to the transaction.

Hon. Mr. CASSELS.—Shall we adjourn to 2.30?

Mr. WATSON.—We have been getting along pretty well, my lord; I think your lordship will agree with me. A couple of witnesses that we intended to call this afternoon or to-day have very special business appointments and would like if possible to be relieved, and it has occurred to me that as the adjournment over until Tuesday has now become necessary, we will be able to get them with more convenience to ourselves as well as as to these witnesses if we are allowed to present them to your lordship on Tuesday morning. I think, as at present advised, that it will not take more than two or three days, perhaps Tuesday, Wednesday and Thursday at the outside, to close up here at Montreal, so that if your lordship would not object I think on the whole it would facilitate if your lordship would rise now for to-day and resume on Tuesday morning at half-past ten o'clock.

Hon. Mr. CASSELS.—Yes. I would like you to consider about Quebec. I am very anxious to get through with this.

Mr. PERRON.—Might I ask a favour of your lordship? I should like to put a question to a gentleman here because I want to get some names; just one question.

EDWARD C. WARREN, sworn.

By Mr. Perron:

Q. What is your position in the Steel Concrete Company?—A. I am engineer and manager.

Q. Is that an incorporated company?—A. I believe it is.

Q. You believe? Is it an incorporated company?—A. I am quite sure it is.

Q. Who is president?—A. E. A. Wallberg.

Q. And who is on the board besides you?—A. Well, Mr. Wallberg and myself are the active ones in the concern.

Q. I want to get the names of the other parties interested in this company?—A. I cannot tell you that. You will have to see Mr. Wallberg.

Mr. PERRON.—I am not much further advanced than I was.

(Adjourned at 1.10 p.m. on Friday, 4th, to Tuesday at 10.30 a.m. September 8, 1908.)

MONTREAL, September 8, 1908, 10.30 a.m.

Commission resumed.

Hon. Mr. CASSELS.—Mr. Watson, I am afraid I misled you. I understood that the Baie de Chaleur Railway appointment was returnable at Montreal, but I got a wire on Saturday from the Registrar, Mr. Audette, telling me he was mistaken, and that tenders have to be opened in Ottawa.

Mr. WATSON.—Oh indeed.

Hon. Mr. CASSELS.—He quoted the order and seemed to think I had power to adjourn the opening, so, in order to get on with this inquiry, I wired him that I would make an order adjourning the appointment to Saturday. Now, however, Mr. Casgrain has informed me that there are very grave doubts of my power to adjourn. He says that under the Quebec practice it is very doubtful indeed if I have power to do it, and if I adjourn and have not the power, the work of three or four years will all go wrong. I told him I could not venture to risk it. I will therefore have to go to Ottawa on Thursday morning, getting back Thursday night. I could not afford to allow the parties to have the risk of all these proceedings in connection with the railway becoming void and having to be done over again on account of my not keeping the appointment.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—When are you going to call Mr. Desbarats?

Mr. WATSON.—He is at Ottawa, actively engaged there. I intended to call him, together with some other witnesses necessary to bring before your lordship at Ottawa, at the sittings there.

Hon. Mr. CASSELS.—The point that has occurred to me is this: The last three or four days have been taken up with the Sorel branch, that is, purchases made at Sorel by Mr. Desbarats. Of course, he might be examined in Ottawa, and it might turn out in the course of his examination that reference would have to be made to some of the people in Montreal whose evidence we have had.

Mr. WATSON.—Yes. In that event we would arrange to have these other witnesses attend at Ottawa, as they attended before. I did not want to call him until I had exhausted all the list, and more than that until I had exhausted the other places, because—

Hon. Mr. CASSELS.—He had to look after all these purchases and will be able to say whether they were done by advertisement, tender, contract and so on. Then there

is another point. I wrote to Mr. Perron on the 30th July stating I wanted all the correspondence relating to the patronage business.

Mr. WATSON.—Now, I do not know whether that applies to Sorel or not, at all events it ought to be produced. Mr. Perron wrote me that he was just leaving for Ottawa to secure all the information. In the course, I think it was, of Colonel Anderson's examination you stated you had the correspondence, but it was not quite in shape. That was in Colonel Anderson's examination.

Dr. MORSE.—When he was recalled.

Hon. Mr. CASSELS.—Yes, I think it was so. He said—

Mr. WATSON.—There is, my lord, an immense volume—volumes, in fact, of evidence bearing upon that, and I find upon inquiry that it is practically impossible to shift it away from Ottawa without a great deal of difficulty in order to keep it in line with the different officials, so I intended to produce that at the same time. There are three or four important matters that will have to be investigated at Ottawa, and that can be done with more convenience there.

Hon. Mr. CASSELS.—But supposing it turns out, for instance, that the transactions with Sorel are transactions that arise upon the patronage list. It is essential that we should have it.

Mr. WATSON.—Oh, yes.

Hon. Mr. CASSELS.—Because it bears upon the question, whether proper proceedings were taken to get the best prices. Now, I went through the evidence already taken in July, I went through all the blue books and all the different books of proceedings before the committee, and as the case stands at present, according to Colonel Gourdeau and the gentleman who was appointed in May last purchasing agent, Mr. Doutre, from \$50,000 to \$100,000 has been lost by buying retail instead of wholesale. The evidence, so far as Montreal is concerned, would indicate that all the purchases were made by wholesale, and it may be that the patronage list does not have any application. Nevertheless, I want to see it.

Mr. WATSON.—Yes. My investigations, and also those of my learned friend Mr. Perron, with regard to the evidence would indicate that that is so, that practically all, if not all—

Hon. Mr. CASSELS.—This is the statement made on Colonel Anderson's examination when I called for the patronage list: 'Then your lordship inquired about that last evening. I find, I am sorry to say, that it will take a little time to complete those records in the hands of the different agents, my lord, as well as by reference to the records in the department here. I have therefore so far only been able to obtain a copy of the patronage list commencing in 1890 and going on to 1895, and that may not be complete of itself. I think, perhaps, I had better not put that in in the meantime.' Then Mr. Perron undertook during his trip to Ottawa to have this thing complete. I think it ought to be on hand while the witnesses are examined.

Mr. WATSON.—Yes, my lord. We will have it complete for you. It was, perhaps, owing to the direction I gave afterwards, that is, finding there would be great volumes of correspondence I thought it would be better to deal with that at Ottawa.

Hon. Mr. CASSELS.—Take the purchases at Sorel. Supposing it turns out in point of fact there is a patronage list in use at Sorel; then it becomes very material on the Montreal evidence.

Mr. WATSON.—Yes. Then I will find out by telegram whether or not there is a patronage list dealing with Sorel. I will find that out during luncheon time and get an answer this afternoon. If there is one with regard to Sorel I will see that it is produced.

Hon. Mr. CASSELS.—Yes. We ought to see it as we go along.

Mr. WATSON.—There is a matter, my lord, I want to call attention to this morning particularly. It affects Mr. Boucher, who was the agent of the department here at Montreal. I am informed this morning that on the 28th of August Mr. Boucher sent in his resignation to the department, and I learned also during the latter part of last week that an inquiry had been made and a report submitted by Mr. Gaudet under an

Order-in-Council. The report was presented on the 1st of May of this year to the Governor in Council by him as Commissioner, and it recites that he was appointed by an Order-in-Council to investigate certain accusations against the administration of Ernest Roy, Superintendent of Works for the department of Marine and Fisheries at Sorel. Then, my lord, it recites 16 distinct and specific charges, in a considerable number of which Mr. Boucher is mentioned and joined as an accused, that is, the charges are against him as well as against Mr. Roy.

Hon. Mr. CASSELS.—Who is Mr. Roy?

Mr. WATSON.—Mr. Roy was Superintendent of Works, my lord, for the department at Sorel. The evidence I have before me now, or rather a copy of it. I find the Commissioner in that matter made apparently a very careful examination. Mr. Boucher's evidence was taken, the evidence of all witnesses was taken as affecting these charges, and a report made. What I wanted to inquire of your lordship and to obtain your lordship's direction upon is as to whether or not any of these matters have been the subject of these charges and this investigation by Mr. Gaudet as Commissioner would be gone into by your lordship in the execution of this Commission.

Hon. Mr. CASSELS.—Under what Commission was he appointed?

Mr. WATSON.—It recites: 'In February, 1907 I was appointed by an Order-in-Council to investigate certain accusations against the administration of Ernest Roy, Superintendent of Works of the Department of Marine and Fisheries at Sorel. I have the honour to submit the following report. The accusations which were brought forward during my investigations are as follows,' and then he mentions 16 different accusations in which Mr. Boucher is more or less intimately connected, the charges being against him as well as against Mr. Roy. Mr. Boucher was the Chief Agent at Montreal for the department, my lord. Now then, the question for consideration is whether your lordship would desire that these same matters that were then the subject of evidence and report should be brought before you as Commissioner here with a view of reporting upon them.

Hon. Mr. CASSELS.—I should say not. If they have been already dealt with by a Commissioner with equal power to mine, why should I? I cannot reverse the finding, I cannot sit in judgment on the finding. It would be open if there were other charges.

Mr. WATSON.—Yes, my lord. Of course, your lordship's Commission is directed, as I understand it, to an inquiry as to the conduct and acts of honesty, or dishonesty rather, of the officials. At that time Mr. Boucher was an official, and he has remained an official of the department until quite recently, within the last ten days, the 28th of August, he has resigned, as I understand, and he is not now an official, so I am informed this morning.

Hon. Mr. CASSELS.—What is the date of the Order-in-Council?

Mr. WATSON.—It is dated, my lord, according to the recital here, in the month of February, 1907.

Hon. Mr. CASSELS.—That is prior to my appointment.

Mr. WATSON.—Yes. Your lordship's is in May, 1908. As your lordship will see (handing papers to his lordship) a number of the charges involved the consideration of Mr. Boucher's conduct.

Hon. Mr. CASSELS.—Mr. Gaudet's report is on Mr. Roy.

Mr. WATSON.—Yes, my lord. Then your lordship will find throughout that each charge is taken separately and the reports are partly upon Mr. Boucher as well as upon Mr. Roy.

Hon. Mr. CASSELS.—But the report itself does not include Mr. Boucher.

Mr. WATSON.—Except that he does report—

Hon. Mr. CASSELS.—What I mean is, there is no Commission to report on Mr. Boucher.

Mr. WATSON.—No, your lordship, that is quite so. Your lordship will see in looking at the charges that several of them directly affect Mr. Boucher. I have marked them here.

Mr. PERRON.—They are 8, 9 and 10.

Mr. WATSON.—Take 8, a conspiracy between Boucher, the agent in Montreal—and there are some others in the same way. Now, when he comes to consider these he reports on all of them, on Boucher as well as Roy.

Hon. Mr. CASSELS.—I would not take up anything that has been found upon by that report. It is a Commission appointed prior to mine. The work is done. There is no object in consuming time. Any other charges, of course, I would take up.

Mr. WATSON.—Yes, my lord. These are specific. Then I understand from your lordship, in so far as these specific charges in which Mr. Boucher is involved are shown by the report to have been investigated, that your lordship would not wish to re-hear or report upon them?

Hon. Mr. CASSELS.—No; that has been fully dealt with.

Mr. WATSON.—There may be other matters. So far Mr. Perron, who has given the subject matter the chief consideration for the investigation here for the purpose of preparation, informs me he is not able to trace any other matters; but I would feel it my duty, unless your lordship directs the contrary, in any event to bring Mr. Boucher before your lordship, so that the ground will be fully covered in respect to any and all other matters than those involved here. I would like to have Mrs. Thomas first.

Hon. Mr. CASSELS.—Here is a Commissioner appointed with the same power as I have, and appointed for the specific purpose of finding on these charges. Now, in the first place I do not want to go into the same charges, and, secondly, Mr. Boucher is now out of the service.

Mr. WATSON.—That is the position, as I am instructed, my lord.

Hon. Mr. CASSELS.—He does not need to be relieved; he has relieved himself. I am here more as a sort of relieving angel as far as I can see.

Mr. WATSON.—That would carry to the extent that your lordship would not wish to investigate any matters outside of these.

Hon. Mr. CASSELS.—The trouble is this, Mr. Watson: Incidentally it is not a question whether the particular officials have been guilty of wrong-doing. You might have a case, for instance, where an official, conscious of wrong-doing, in order to escape investigation resigns. That is not the point. The point we have to get at is, whether in the Marine Department during these three or four years the charges made by the Commissioners are well founded.

Mr. WATSON.—Yes; that is the view I had myself, my lord, that the mere circumstance of resignation would not stop the inquiry into matters that have not already been inquired into.

Hon. Mr. CASSELS.—Quite so. These particular charges are *res adjudicata*.

Mr. WATSON.—Any other matters are open to inquiry and will be the subject of further investigation.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—Yes; that is also what I would respectfully submit to your lordship is the effect of the matter. Now Mrs. Thomas, I want to find out exactly what the staff is under oath. I want to do this in a systematic way, my lord.

Mrs. THOMAS, recalled.

By Mr. Watson :

Q. Mrs. Thomas, who compose the staff of officials here at Montreal?—A. You have the list there, Mr. Watson.

Q. Just tell me?—A. Mr. Boucher, the agent, Mr. N .P. Boucher.

Q. Yes?—A. Mr. Charles LeBel.

Q. Yes. Has he any particular position?—A. I think he is the assistant accountant here in the agency.

Q. Yes?—A. There is Mr. Chatigny.

Q. Yes. Has he any particular position?—A. He is the engineer, I think, the resident engineer for the district.

Q. Any one else?—A. There is Miss Drolet, the stenographer.

Q. Yes?—A. And there was a messenger; I don't know his name.

Q. They compose the whole staff?—A. That is the staff. Then there are a few outside offices in connection. That is the main staff of the department. We have a superintendent of pilots here, but he does not belong to the regular staff of the department; it is an outside office.

Q. Let me have the names?—A. If you would not mind, Mr. LeBel is here, and he can give you the names better than I can.

Q. Mr. LeBel. They are outside officers?—A. They are outside officers entirely; they don't belong to the staff of the department.

Q. And they are in what position?—A. There is the superintendent of pilots, Mr. Riley; we have cattle inspectors and so on, the same as we have in any other port.

Q. All right; thank you.

MR. WATSON.—Then I would like that these gentlemen should be in attendance ready to be called: Mr. Boucher, Mr. LeBel, Mr. Chatigny, and also Miss Drolet. Will they be here?

MR. PERRON.—Yes.

MR. WATSON.—I was anxious to have that in proper form for your lordship so that your lordship may know as well as I who compose the staff and have them before the court.

Then I want to ask a question first of Mr. Merwin.

(Mr. Merwin was called by the crier of the court, but there was no response).

Then see if Mr. F. L. Brooks is present.

(Mr. Brooks was also called, but there was no response).

HON. MR. CASSELS.—Are these gentlemen in Montreal?

MR. WATSON.—Mr. Merwin is resident here at Montreal, I understand.

MR. PERRON.—Yes.

MR. WATSON.—Mr. Brooks, I am informed, is here occasionally, but his residence is really in New York city. He is here off and on. These witnesses, my lord, are very important witnesses on this investigation, and I desired to call them this morning for the purpose of being assured that their books of account, their office business books, would be forthcoming upon this inquiry and investigation. I say this, my lord, because I find upon investigation that these gentlemen have been before the Public Accounts Committee very frequently and the matters between them and the department have been inquired into off and on there, and on all these occasions these gentlemen have declined to produce their books. It has been thought, therefore, that the examination failed of the completeness and fullness that was necessary; and it is manifest that here, in my view at all events, the books should be produced, should be forthcoming. I wanted an assurance from these gentlemen this morning that the books would be here. I do not know what there is to do except make a direction that these parties should attend.

HON. MR. CASSELS.—Who are these gentlemen?

MR. PERRON.—I may state to your lordship this: Mr. Merwin and Mr. Brooks have been away for at least three weeks. On Saturday I telephoned myself to find out whether they would come back or not for this morning. Some one at Mr. Merwin's house told me he would be back this morning. I telephoned this morning to his house at 10 o'clock, and they told me he was not in. As to Mr. Brooks, as my learned friend Mr. Watson has stated, he has no residence here, but at his office they told me they were expecting him on Thursday of this week.

HON. MR. CASSELS.—They have been subpoenaed?

MR. PERRON.—Oh, yes. When I saw I could not get hold of them by 'phone I simply issued subpoenas. We may try Mr. Merwin again at half past eleven to see if he is back or not. As to Mr. Brooks, I really do not know what I can do. If he had his residence here I could find out from his family, but at his office they told me they expected him last Wednesday. I telephoned then and they told me the chances were he would not be back until Thursday.

Hon. Mr. CASSELS.—You had better make further inquiries. Perhaps Mr. Brooks will be here on Friday.

Mr. WATSON.—Yes. At all events, if we get Mr. Merwin—Mr. Merwin is a partner in some of the transactions with Mr. Brooks—he will be able to explain.

Hon. Mr. CASSELS.—What is the nature of the dealings?

Mr. WATSON.—The selling of supplies to the department, lighthouses.

Hon. Mr. CASSELS.—Who was the vendor of the lights?

Mr. PERRON.—Merwin was for part of them.

Mr. WATSON.—Merwin and Brooks between them.

Hon. Mr. CASSELS.—That is for the lights?

Mr. PERRON.—The lanterns.

Hon. Mr. CASSELS.—Yes. I asked you in that letter of the 3rd of July to get the cost of each lighthouse.

Mr. PERRON.—Yes, my lord. Mr. Wallberg is here this morning, and I have given instructions to Mr. B. H. Fraser in Ottawa, who, of course, has this in his department, and he is anxious to get all this in shape. I discussed the matter with Mr. Watson, and as we have to sit in Ottawa on two or three other matters, we thought perhaps it would be better to hear this in Ottawa, but of course—

Hon. Mr. CASSELS.—No, only I do not want them to be lost sight of.

Mr. PERRON.—Yes. The matters are ready.

Hon. Mr. CASSELS.—We have had Mr. Wallberg.

Mr. PERRON.—Mr. Wallberg is here this morning, because in Ottawa he did not go fully into the transaction; we simply covered the towers. I thought he should show his books, but, of course, the complete cost of the lighthouse he cannot give. The only person who can give that information is Mr. B. H. Fraser, in Ottawa.

Hon. Mr. CASSELS.—The department in Ottawa must know, for instance, what these lighthouses cost.

Mr. WATSON.—Yes. Mr. B. H. Fraser is head of the department and will know. We will have that. There are other merchants here, my lord, that are upon this list of dealings with the department.

EDWARD SHORE, recalled.

By Mr. Watson :

Q. What is your name again?—A. Edward Shore.

Q. Oh yes. This is Mr. Shore, my lord, from McColl Bros. & Co.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—Your lordship will recollect there is a question of a transaction with Mr. Walsh that was the subject of reference on Thursday, and Mr. Shore undertook to look up the correspondence between his firm and Mr. Walsh.

Q. Have you found that correspondence?—A. There was no correspondence between ourselves and Mr. Walsh on this subject. Mr. Walsh was between Quebec and Montreal and Ottawa a great deal and there was very little correspondence took place. He naturally always reported to the office in person anything. I looked up especially any correspondence we had with the department and I can find no record. I went back as far as I could through the stenographer's notes and could find none. My recollection of the matter now is that we received an official order for these goods.

Q. Well, have you got the order?—A. The order was sent back to Quebec with the invoices.

A. To Quebec?—A. That was always the usual proceeding from the Quebec agency that the order went back with the invoices to the department, to the agent.

Q. At Quebec?—A. At Quebec. The order was No. 9078; the official order was No. 9078. It is here on our record. (Producing.) Those goods were not in the size packages it was understood they would be, therefore our man there had them changed into other packages, and that is that charge for the packages.

Q. You charged for the packages \$8?—A. Yes.

By Hon. Mr. Cassels:

Q. Was Walsh your agent?—A. He was a traveller.

Q. For your firm?—A. Yes.

Q. He has left your firm now? Who has taken his place?—A. There is no one has absolutely taken his place. We have the ground covered by another man.

Q. What became of the papers Mr. Walsh held when he left your employ?—A. He would only have sample cases of goods.

Q. Take this case now?—A. That order was returned to the department.

By Mr. Watson:

Q. To the department at Quebec?—A. Yes. That was printed on the order, either on the front or the back, that this order must be turned in with the invoice.

By Hon. Mr. Cassels:

Q. Then you acted not merely on Mr. Walsh's statement, but on a specific order sent by somebody in the department?—A. On a specific order.

Q. And that, you say, is in Quebec, or should be?—A. Yes. That was sent back to Quebec. Our records show that we had an official order, and that is the number of it.

Mr. Watson:

Q. Official order 9078?—A. Mr. Gregory always insisted upon those orders being returned in order to compare the official order with the invoice. That is what I understood.

By Hon. Mr. Cassels:

Q. I understood from the letters Mr. Watson read it was said that Mr. Gregory would not accept the order?—A. Because it was not in the sized packages. I have found that out since that he wanted it in small packages so it could be distributed, we understand, among all the different stations under his control.

Q. That is the effect of the letter?

By Mr. Watson:

Q. He says in the letter—just listen witness—‘The stuff was purchased on direction of Mr. Préfontaine on the wharf at Quebec, who directed me then and there to give a good order to the agent of McColl Bros. & Co., Mr. Leo C. Walsh, who stood beside him at the time. That was over a year ago. I gave an order to Mr. Walsh as requested, and when the goods arrived I was somewhat surprised at the size of the packages, and I refused to take them; and a lengthy correspondence took place between McColl Bros. & Co. and myself on the subject—in fact, I declined to give them any more orders.’ Now, what about that?—A. I don't think that is right, because we can find no record of it.

Q. Where is the correspondence? He says: ‘A lengthy correspondence took place between McColl Bros. & Co. and myself on the subject?’—A. If there were any correspondence it would have been destroyed when the account was paid; all that correspondence would be destroyed.

Q. Surely not?—A. That is the custom.

Q. That is the custom?—A. Yes. We have from 12,000 to 15,000 accounts a year, and all correspondence in connection with an individual dealing is destroyed when the account is paid, unless there is some legal reason why it should not be done.

Q. Do you mean you do not keep them for a period of years, two years?—A. No. We destroy them the same date the account is paid.

Q. In every transaction?—A. Every transaction with everybody; that is the rule.

Q. The rule?—A. That is the routine of the office, that is the system.

Q. I must say I never heard of that system prevailing before?—A. We would have a room as big as this filled in two or three years.

Hon. Mr. CASELS.—It is a useful system.

Mr. WATSON.—Yes, my lord, it may be so.

Hon. Mr. CASELS.—I suppose they would have copies of those in the department?

By Mr. Watson:

Q. Yes, my lord. Those will be at Quebec. This correspondence, of course, was between Gregory and McColl Bros. What was the subject of that correspondence, do you recollect?—A. No, I don't recollect any with the department at all.

Q. Was it with you?—A. It would have been through me.

Q. Why should there have been a 'lengthy correspondence'?—A. I don't know. I don't understand that part of it. I don't think that part of it can be correct.

Q. He was surprised at the size of the packages and refused to take them.—A. Mr. Walsh was in Quebec all the time, and any dealing with the department would be with him and Mr. Gregory.

Q. Were the packages afterwards changed and put into smaller packages?—A. Yes.

Q. By whom?—A. Mr. Walsh. Mr. Walsh had them done there in Quebec.

Q. Was it not done here?—A. No; the goods were there.

Q. Was any charge made for that?—A. Yes, an extra charge.

Q. For changing them into smaller packages?—A. Yes, for the extra packages.

Q. Where does that appear?—A. 'To charge for packages, \$8.'

Q. Well, I thought that was the original package when they were sent?—A. No, six kegs. There was no charge for the kegs, but when put into smaller packages we had to purchase the smaller packages. Then we made a charge for the smaller packages. That is always the custom.

Q. Where is the date of the original order—there is the date of the packages—where is the date of the original order?—A. We have no date of the original order. We have the number, and that would be the only check.

Q. The entry upon this page is 6 kegs of Kantslip, but there is no date attached to that, not even of the year?—A. The date we sent the goods was....

Q. You what?—The date we sent the goods. February 20, 1905, was the date we received the order.

Q. February 28?—A. Yes, 1905, and the goods were shipped on March 3, that is the original packages; they were shipped, freight prepaid, by C.P.R.

Q. Fog alarms?—A. For the Construction of Fog Alarms Department. I presume that was mentioned on the original order.

Q. And this is the only record you have at all?—A. Yes, that is the only record.

Q. How does it come this was not destroyed?—A. That is part of our ledger.

Q. Of your ledger?—A. Yes. Those were taken off by Mr. Duff for his own information.

Q. You call that a ledger?—A. Yes, that is our ledger file; that is our regular system of ledger files.

Q. Where is your regular book called the ledger?—A. Those are our ledgers; there is one of these sheets made up for each order we get from the traveller.

Q. Those are carried forward into something else as a matter of record?—A. No.

Q. Where is your regular cash book?—A. We have a cash book.

Q. Where is that?—A. In the office.

Q. What other books have you got?—A. A journal.

Q. Yes?—A. A bill book.

Q. What else?—A. And receiving book.

Q. Anything else?—A. No, that constitutes all.

Q. Now, just let me see. There is a cash book you say?—A. Mr. Duff saw the ledgers.

Q. I am not asking you about that. A cash book, journal, bill book?—A. Bill book.

Q. And what else?—A. Receiving book.

Q. Now, have you got letter books?—A. No.

Q. Where do you copy your letters?—A. By carbon copies.

Q. And you keep those?—A. Until the account is paid. If it has not any relation to an account it is filed away.

Q. Then when the account is paid you destroy the letters?—A. Yes.

Q. The letters you received and the copies of letters?—A. Yes.

Q. You would have to keep a man purposely to do that, I should think?—A. Well, the accounts are in vertical files, and the cashier when he receives money that settles that account he goes to those files and takes off all the papers in connection with each one and tears them up. He does that regularly every morning. I suppose in all the accounts received this morning all the letters and correspondence in connection with them have been torn up.

Q. Who has charge of them?—A. The collection clerk.

Q. Who is the individual or person in the company's employment who has charge of this correspondence and the accounts and books?—A. It would be all under my control.

Q. I am not asking about that. Who is supposed to do the destroying?—A. Either the cashier or the collection clerk.

Q. What are their names?—A. Well, the present——

Q. The cashier at the time, in 1906?—A. He has left our employ.

Q. What was his name?—A. His name was Desjardins.

Q. Where is he?—A. Still in town.

Q. Where is he?—A. I am not sure of his address.

Q. Who is the collection clerk?—A. Mr. Carswell.

Q. The same system exists, you say?—A. Yes.

Q. And who was the other person that you have spoken of, the accountant?—A. The cashier. Mr. Desjardins was the cashier at the time this event took place, at the time of this transaction. Mr. Barbeau is the cashier now.

Q. He is there, is he?—A. Yes.

Q. Then you will see to it that Mr. Carswell and Mr. Barbeau are here after luncheon?—A. Yes.

Q. Can you undertake that they will be here without being subpoenaed?—A. Oh, absolutely.

Q. Then, I would like to have the cash book, journal, bill book and receiving book, will you produce those if you please?—A. Yes, after lunch. Will you require the current ledgers?

Q. I thought you had no ledgers except this?—A. I mean the current ledgers to see the system, the whole set of books?

Q. Are the books like this?—A. Yes.

Q. The accountant is familiar with all the transactions, is he not?—A. He is not familiar with any of these transactions.

Hon. Mr. CASSELS.—I understood this had been taken out by your own accountant, Mr. Duff.

Mr. PERRON.—Yes.

Hon. Mr. CASSELS.—Mr. Duff can perhaps give you what you want if he is examined carefully.

Mr. WATSON.—Yes, I will see. I thought I would rather have the books as well, my lord, it would be more satisfactory to me; that is the reason.

Q. Then are you able to give any more information about this Kantslip and about this order?—A. No, except that the account was paid after we had changed it into the packages without any particular or special trouble that I recollect. I think I would recollect if there had been.

Q. What about the price of this, \$548?—A. The price is the regular price we sell at all the time. We sell to all our customers at that price now.

Q. At that time what did you sell Kantslip for?—A. The same price.

Q. How do you know?—A. We only have one price.

Q. What is the price?—A. 45 cents a pound.

Q. 45 cents a pound?—A. Yes.

Q. Do you say that was the same price in February, 1905?—A. Yes.

Q. Have you books showing what it was sold for at that time to any one else?

—A. No, I have no books here.

Q. Have you books in your office showing that?—A. Yes. We have ledger sheets like that showing what we have sold it for to other people.

Q. To other people?—A. Yes.

Q. At that time?—A. Yes.

Q. I would like you to bring those, will you?—A. Yes.

Q. That will do for the present then. Will you be here after luncheon?—A. At what time?

Q. Say a quarter past two o'clock?—A. Very good.

Mr. WATSON.—Let me hear what you have to say, Mr. Duff.

J. M. M. DUFF, recalled.

By Mr. Watson:

Q. You have already been sworn?—A. Yes, sir.

Q. Did you examine the books of the firm of McColl Bros. & Co.?—A. Yes.

Q. When did you do so?—A. One day last week. If you will allow me I will get my memorandum book. (Gets book.) I was there on the 28th of August.

Q. When, the 28th of August?—A. Yes. I did not examine the books then. They made some hesitation about it. They afterwards changed their minds. I was there on the 2nd of September and made an examination.

Q. Do you mean on the first occasion they declined to allow you to examine?—A. Yes.

Q. I see?—A. This young man said the books were in Toronto, that the records were all there.

Hon. Mr. Cassels:

Q. Who?—A. This gentleman who has just been examined said the books and records were all in Toronto and would have to come down from there.

By Mr. Watson:

Q. That is the head office in Toronto?—A. Yes. I asked him to communicate with Toronto and tell them that I wanted to look over the books, and next day he produced a telegram from them saying they would give me what information I wanted if I would put my request in writing. Then later they came to me and told me they were ready for me to examine the books.

Q. Yes. And what books did you find there?—A. I cannot remember the books. I did not take a memorandum of them all, but I specially took the sheets that you had in your hand a moment ago.

Q. Here is one sheet in regard to Kantslip?—A. Yes. I had three packages. I put these up together. I took these out of their bound book file. These are their original letters. I took these all out and examined them to see if the prices compared with the prices charged to other people about the same date. Then I got their costs, looked over their costs and figured to see about what profit they had made, whether they had made any extravagant profits.

Q. And what did you find as to other sales of Kantslip?—A. Oh, they are all about the same price, all the same price.

Q. All the same price?—A. Yes.

Q. Exactly the same?—A. As far as I could see.

Q. Were there many other sales?—A. That I cannot say about.

Q. That is in 1905?—A. I think there were. This is 1904-5.

Q. Then what did you find? You said you examined as to the cost. What did you find was the cost to them of the Kantslip?—A. It is marked there in the margin 35 cents.

Q. 35 cents?—A. Yes.

Q. Who marked that in the margin?—A. I did not. Those are my figures (indicating).

Q. And sold at 45 cents?—A. Yes.

Q. 45 cents what?—A. pound.

Q. That is your figure 45?—A. The pencilling is mine.

Q. And the next item is what?—A. The next item is Vesta Anti-Corrosive Compound, sold at 20 cents a pound, cost 16 cents.

Q. Have you any personal knowledge by inquiry or otherwise as to whether or not those charges are excessive, whether or not that additional price is excessive—cost 35 cents selling at 45 cents?—A. No, I have not made any inquiry. I looked up their memorandums of cost.

Q. Yes?—A. And verified it that way.

Q. You do not know whether that was an unreasonable profit or not?—A. I should not consider it an unreasonable profit.

Q. Why not?—A. It is a profit of about 25 per cent.

Q. Yes?—A. I think, in fact, I know that I put all their sales together, and I found upon the whole that they had not made more than 14 and a fraction per cent on all their sales. Some things, you understand, have more profit than others. If that were the only thing they sold to the government, then I should consider they did pretty well, but some things pay better than others, and upon the whole they did not make 15 per cent upon all their transactions.

Q. And did you trace this entry through any other books?—A. No; that is the original entry.

Q. That is the original entry?—A. Yes.

Q. Would this be carried forward?—A. I think that was carried forward into some sort of book.

Q. Being what?—A. I was a little surprised to hear Mr. Shore say there is no ledger. I think he must have one; it is quite possible he may not have.

Q. Did you find a ledger there?—A. I did not see it.

Q. Did you see any cash book?—A. No.

Q. Journal?—A. No.

Q. Did you delve in any of those other books?—A. No.

Q. All you saw was this set of files?—A. Yes.

By Hon. Mr. Cassels:

Q. How could they get at the yearly balance or anything like that to arrive at their yearly profit? How could that be got unless the accounts were carried into something?—A. I didn't think it my business to find the yearly profits and examine into all their business, and more than that, I was only allowed to look at these on the 2nd of September. I was examined here on the 3rd or 4th, so that I had no time to make a long examination if I had been allowed to. When I went down first I might have done more.

Mr. WATSON.—That is not the point.

Hon. Mr. Cassels:

Q. You found a profit of 25 per cent on that transaction?—A. This one transaction.

Q. Very well. What items did you take into account before you ascertained the profit; did you find out the capital they have embarked in their business?—A. Oh, no.

Q. Well, how do you get at the profit unless you find out what the cost is, the interest on capital, insurance, and all such items?—A. Well, they showed me the invoice at what it had been bought.

By Mr. Watson:

Q. You just took the invoice of the purchasing price?—A. Sure.

Q. And the invoice of the selling price, and the difference represented the profit?—A. It represents the profit.

Q. And it might be the gross profit?—A. Of course, the gross profit. I know nothing about the expense of running the business and the interest on capital. I had no time to do that.

Q. You cannot say the net profit?—A. No.

Hon. Mr. Cassels:

Q. Were those goods not manufactured by them?—A. That I am not sure of. They certainly are not manufactured here; they may be in Toronto.

Q. I do not see how you can get at the profits unless you take into account all the outgoings, charges and everything else?—A. Of course, I could not tell what the profit of their business would be for a term of months or years without going into this question. I am speaking of the gross profits.

By Mr. Watson:

Q. The other books you did not see?—A. No, I had no time.

Mr. WATSON.—Then, I think, my lord, I will personally see those books after luncheon.

Hon. Mr. CASSELS.—Yes.

By Mr. Watson:

Q. That is all you can say with regard to this matter?—A. Yes.

Then, my lord, Mr. Hudon was examined by my learned friend on Thursday but his examination was not quite completed. It was disclosed in his evidence, your lordship will recollect, that his firm furnished supplies for the *Arctic*. I desire particulars of that from the books. My learned friend will follow it up with him.

ALBERT HUDON, recalled.

By Mr. Perron:

Q. Mr. Hudon, your evidence was suspended so as to give you an opportunity of bringing here the books of 1904 and 1905 referring to a sale made by your firm for the purposes of the *Arctic*?—A. Yes, sir.

Q. Have you got those books here?—A. Yes, sir.

Q. Where are they? Bring them here. (Witness produces books).

Q. Let me see this account of the *Arctic*?—A. Yes, sir.

Q. The Marine and Fisheries Department, I see. Is this brought from another book?—A. No; that ledger was started in 1900.

Q. You have a ledger prior to this one?—A. No, no, sir.

Q. Is this the first sale?—A. The first sale made to the department.

Q. The first sale you made to the department would be then on May 11th, 1903, that would be the first sale?—A. Yes, sir.

Q. And the last one?—A. Was there (indicating). That is the old ledger. We have another one for 1908.

Q. Pardon me. You say your first sale was made on May 11th, 1903?—A. Yes, sir.

Q. Now, you have sold from this date on to when, that is what I want to know?—A. Well, in 1904 we sold to the department \$14,000.

Q. In 1903 how much did you sell to the department?—A. \$4,028.54.

Q. Is that it?—A. Yes, sir.

Q. Well now, I see on July 25th, 1903, a sale amounting to \$1,151.93. That is a pretty heavy sale?—A. Yes, sir.

Q. Who bought those goods?—A. The department.

Q. But who?—A. We received orders from Ottawa. It was for the *Neptune*.

Q. Was it a written order?—A. Yes, sir.

Q. Have you got this order?—A. No, sir.

Q. Where is it?—A. All those orders were destroyed. You are talking about seven years ago, you know. We cannot keep papers all that time. We keep papers about three years. We would fill our stores with papers if we had to keep all these.

Q. Getting back to this order, you say this order was destroyed?—A. Yes.

Q. When?—A. Five years ago—four years—about two years ago.

Q. Now, is it the custom in your store to destroy orders?—A. After five years we destroy our papers.

Q. This is not quite five years—it is five years in May last?—A. Yes.

Q. When was this order destroyed? I would like to know that?—A. I cannot remember.

Q. By whom was this order signed?—A. By the deputy minister, Colonel Gourdeau.

Q. Are you sure of that?—A. Yes, sir.

Q. Now, who obtained this order, who obtained it from Colonel Gourdeau?—A. I don't know. I suppose they asked for prices for tenders.

Q. But what I want to know is what was said about this order?—A. About the *Neptune*? I don't remember much.

Q. For \$1,151. Do you remember who solicited the order?—A. No, I do not remember.

Q. You do not remember?—A. No.

Q. Do you remember if you had to go up to Ottawa about it?—A. Not for this order, no, sir.

Q. Did you go, or do you say that you do not remember?—A. I do not remember.

Q. You do not remember. Well now, you say these goods were for the *Neptune*?—A. Yes, sir.

Q. What was the *Neptune*, I would like to know?—A. It was a vessel.

Q. Plying where?—A. I think as far as Hudson Bay.

Q. The *Neptune*, you say, was for the Hudson Bay?—A. I cannot remember exactly, but you can easily find out by the blue books.

Q. Oh yes, but I do not want to have any reference to the blue books. I want to know from you. Do you know where the *Neptune* was going and what kind of ship she was and what she was used for?—A. I do not remember. It is not my business to know.

Q. If you do not remember you do not know: Is that it?—A. I know those goods were for the *Neptune*; that is all I know.

Q. Do you not know what the *Neptune* was employed for, where she was travelling of what she was?—A. No, sir.

Q. Tell me, where were those goods delivered?—A. Halifax, I think.

Q. Well, you think. Surely you can find out whether those goods were delivered at Halifax or Quebec or some place else?—A. I guess Halifax.

Q. Halifax, they were delivered in Halifax?—A. Yes; I am quite sure.

Q. Did you go there to Halifax when the goods were delivered?—A. No, sir.

Q. They were shipped?—A. They were shipped and we furnished documents, the bills of lading to the department, because we had to pay freight.

Q. To pay freight?—A. Yes. You can see by—excuse me. We have paid \$69.85 for the freight, we paid the freight ourselves. You can see it here: \$69.85, received cash.

Q. You say those goods were shipped by rail?—A. By rail, yes, sir.

Q. And that you delivered the bills of lading to the department?—A. We have to furnish bills of lading to the department to get our money refunded.

Q. Tell me to whom you gave those bills of lading, to what officer of the government?—A. I do not know. We sent the bills of lading with our invoices.

Q. Where?—A. To Ottawa.

Q. That is what I want to know. Addressed to whom?—A. To the department.

Q. Do you tell me, Mr. Hudon, that you did not see one official in connection with this order of \$1,151?—A. I do not remember.

Q. You cannot refresh your memory and tell me whether you met some one in connection with this order, some one from Ottawa?—A. I do not remember.

Q. You do not remember?—A. No.

By Hon. Mr. Cassels:

Q. What is the nature of the goods, Mr. Hudon?—A. Sort of groceries.

A. Groceries?—A. Yes, your honour.

By Mr. Perron:

Q. Of what kind?—A. There was flour, there was pork, there were canned goods, meat, salt meat, bacon.

Q. What kind of flour was it; what was the nature of it?—A. It was baking flour for making bread.

Q. Just the ordinary flour?—A. Yes.

Q. What was the cost of that; have you any specified tables?—A. No.

Q. Simply by the barrel?—A. \$3 a bag.

Q. \$3 a bag?—A. \$3 a bag.

By Mr. Watson:

Q. That was the cost, or the selling price?—A. Selling price. It cost us \$2.90. We made 10 cents a bag.

By Mr. Watson:

Q. What comprises a barrel?—A. Two bags made a barrel. The bags weighed 96 pounds. It takes two bags to make a barrel.

By Mr. Perron:

Q. You stated what was the cost price of the bag?—A. \$2.90.

Q. Where were you buying them from?—A. Ogilvie, Lake of the Woods.

Q. Take this special order, where did you get this flour from?—A. My dear sir, I don't remember that. Some days we are asked a price; if the Lake of the Woods is a little cheaper we buy from the Lake of the Woods; if Ogilvie is cheaper we buy from Ogilvie.

Q. Now, how can you tell me that these bags cost you \$2.90 if you do not remember where you bought them?—A. I remember because when we checked that account with Mr. Duff it was \$3. I know we averaged our profits on flour at 10 cents a bag. We never take more than that.

Q. Nor less?—A. No, sir, nor less. I think that is just enough, 10 cents a bag.

Q. Do you swear now you do not take less than 10 cents a bag profit?—A. Sure; I swear it.

Q. This is to the government. How much to the individual; you take less than 10 cents?—A. I take more.

Q. Why?—A. There is more risk. Sometimes we are obliged to wait two months or three months, and we pay cash for flour. It is always understood that it is a cash article.

Q. Now, what profit did you make on this order of \$1,151.93?—A. As I told you before, $7\frac{1}{2}$ per cent. We have no special price for the government, neither for any other parties.

Q. That is not what I asked you. I want to know what profit you made?—A. Supposing we take an average of $7\frac{1}{2}$ per cent.

Q. That won't do. I want to know exactly what is the profit you made on this. That is the reason why you were brought back this morning?—A. Between $7\frac{1}{2}$ and 10 per cent.

Q. That is very far off. There is $2\frac{1}{2}$ per cent difference. Can you tell me exactly what the profit is?—A. I could not tell you, my dear sir.

Q. Haven't you gone into this matter?—A. It was in 1903 and 4. We have nothing to do with this year. It is 1904, 5, 6 and 7.

Q. Let us take 1907. I want to find out what the profit is?—A. As I told you, $7\frac{1}{2}$ to 8 per cent.

By Hon. Mr. Cassels:

Q. How much flour was there?—A. Not very much.

Q. About how much?—A. About 20 bags, 30.

Q. That would be 15 barrels?—A. Yes, sir.

Q. Where did you buy them?—A. From the Ogilvie Flour Mills I think.

Q. You bought them from the Ogilvie Company?—A. Yes, sir.

Q. And then charged your own profit?—A. Yes.

Q. What did you pay the Ogilvie Company?—A. I said \$2.90.

Q. A bag.—A. Yes.

A. And you sold them at \$3.50 a bag?—A. \$3.

Q. \$3 a bag?—A. Yes, your honour, making 10 cents profit.

By Mr. Perron:

Q. The government could buy from the Ogilvie Company at \$2.90?—A. No, sir.

Q. Why not?—A. Because they have to protect the trade. These are big mills.

Q. But you don't mean to tell me that if the government should go to the Ogilvie Company with an order of \$500?—A. 30 to 50 bags; we don't call that a big order.

Q. Do you tell me the Ogilvie Company would refuse to sell to an outsider, a man not in the trade?—A. Yes sir, they will refuse.

Q. They will sell only to the wholesaler?—A. To the wholesaler or retailer. They have a special price to the retail man. I am not a retail merchant, but there are two classes of people, the retail and the wholesale merchant.

Q. Now, let us come to the *Arctic*. Please show me in your books the date of this sale?—A. August 1st, \$11,129.92.

Q. August the 1st of what year?—A. 1904.

Q. What is the amount?—A. \$11,129.92.

By Hon. Mr. Cassels:

Q. Have you any book with you which shows the details of that?—A. Yes, your honour.

By Mr. Perron:

Q. I want to get them. I want to see the details of this order.—A. Mr. Duff has it.

Q. Let me see the details of the order. I think you had better give us the details?—A. 90 cases of boiled beef, especially packed for salt water.

Q. At what price?—A. \$9 a case, that is one six pound tin; 90 cases of roast beef, special pack, \$9; 30 cases of roast mutton, 6 pound tin, \$11 a case; 30 cases of boiled mutton, 30 dozen at \$11; 25 cases of ox-tail soup, 50 dozen at \$2.75 a dozen; 25 cases vegetable soup, quart tins, \$2.75 a dozen; 30 cases mock turtle at \$2.75 a dozen; 30 cases of tomato soup, \$2.75; 60 cases pork and beans, 3 pound tins, 90 cents a dozen; 25 cases of pork and beans in tomato sauce, \$1 a dozen; 16 cases of Bakers breakfast cocoa, 43 cents per pound; 11 cases of chocolate, 47 cents per pound; (It is navy chocolate for food); 6 cases of mixed pickles, at \$2.40 a dozen; 3 cases of pickles, same price; 10 cases of pickles, same price; 100 cases of condensed milk, Eagle brand, \$6 a case; 10 cases of high grade catchup at \$2.75 per dozen; 10 cases of assorted sauce chutney.

Q. You did not give us the price?—A. \$2.40 a dozen, 25 cent retail bottles you see all these are.

Q. Go on please.—A. 20 cases preserved strawberries at \$3.50 a dozen; 10 cases of peaches; 5 cases of white cherries;—

Q. What price?—A. \$3.50, they are all the same price; preserves, all in glass.

Q. Well?—A. 10 cases of red raspberries at \$3.50; 5 cases of pears at \$3.50; 5 cases of Lombard plums at \$3.50; 5 cases of Greengage at \$3.50; 5 cases of blue plums at \$3.50; 25 cases of California raisins at 8 cents per pound; 100 bottles concentrated Extract, 16 ounce bottles, at \$3.50; 50 cases of French sardines at \$15 a case—

Q. How many boxes are there?—A. 100, 25 cents a tin, you know; 35 cases of Hoorseshoe salmon at \$1.85 a dozen; 25 cases of Finnan-haddocks at \$1.25; 30 dozen kippered herring at \$1.45; 34 pails of red currant jelly at 10 cents per pound, pure jam; 25 cases of Cross & Blackwell's marmalade at 75 cents per tin, special pack; 11 cases of special hams—

Q. What?—A. Special hams, heavy smoked, covered in yellow wraps, in burlap, packed especially in dry salt, 16½ cents per pound; 5 cases of telephone matches at \$4.40 a box; 1 case of Grenoble walnuts at 13½ cents per pound; 1 case of Terragona almonds at 13½ cents per pound; 1 case of filbert nuts at 10 cents a pound; 15 cases of candles at 11 cents; 6 cases of curry powder, 16 oz. bottles at \$3.75 a dozen. You want all these?

Q. Yes, please.—A. 2 cases of concentrated peptonized cocoa and milk, 4 pound tins, at \$1 a tin; 7 cases of chocolate food, 72½ cents per pound; 20 cases of preserved strawberries at \$1.75 per dozen; 15 cases of raspberries at \$1.75; 10 cases of white cherries at \$2.40; 10 cases of red at \$2.40; 5 cases of pineapple at \$2.10; 10 cases of blueberries at \$1 a dozen; 20 cases of apples, 1 gallon tins, at \$2.20 a dozen; 10 cases damson plums at \$1.25 per dozen; 2,000 pounds of rolled oats in 50 pound tins at 3 cents per pound; and 50 cases of tomatoes, 3 pound tins, at \$1.10 a dozen. That is all.

Q. That is all?—A. Yes.

Q. You have another list?—A. That is not for the *Arctic*.

Q. What is that for, I would like to know? It is the same date, is it not?—A. The 14th of July.

Q. The other was the month of August?—A. Yes.

Q. What is this order for?—A. It is for the *Cardwell*.

Q. Well, you say this was not sold to the department?—A. Certainly it was for the department.

Q. But it was not for the *Arctic*?—A. No, no, it was not intended for the *Arctic*, we have some more here for the *Arctic*.

Q. Well, I want to know the complete list of this *Arctic* business?—A. Well, I am going to give it to you. 2,025 pounds of pearl barley at 3½ cents per pound; 2,040 pounds of Patna rice at 4¾ cents per pound; 1,080 pounds of flaked rice at 10 cents per pound; 10 cases of Royal baking powder, special pack, 1 pound tins, at 50 cents; 10 cases of peaches, two pound tins at \$1.75; 5 cases of greengage at \$1.40; 5 cases of Bartlett pears at \$1.65; 5 cases of Lombard plums at \$1.25; 8 barrels of imported mixed pickles at \$10 a barrel; two barrels of chow-chow at \$10 a barrel; 30 dozen kippered herrings at \$1.45—

Q. Is that all?—A. No. 10 tins of biscuits, Abernethy, at 11 cents per pound; 33 tins Alexandria, 13½ cents per pound; 14 tins of cheese biscuits at 10½ cents per pound; 18 tins of citrons—

Q. Lemons?—A. No, citrons; 12 cents a pound; 25 tins of Primrose biscuits at 12½ cents per pound; 30 tins of Princess at 12½ cents per pound; 25 tins of Khaki at 10 cents per pound; 51 tins of tea biscuits at 14 cents a pound; 34 tins of Oswego at 18 cents per pound; 21 tins of Petit Beurre at 14½ cents per pound; 30 tins of arrowroot at 14 cents per pound; 14 tins of Graham wafers at 10 cents per pound; 14 tins of Grantham nuts at 15 cents per pound; 25 tins of picnic at 10¼ cents per pound; 14 tins of ginger nuts at 12½ cents per pound; 15 tins of rice cakes at 10½ cents per pound; 15 tins of sweet wine biscuits at 12½ cents per pound; 57 tins of

Java at 10 cents per pound; 24 tins of social tea at 16½ cents per pound; and 2,032 pounds of English bacon, special cure, 15½ cents per pound. That is all.

Q. Now, was this big order which you have been giving us given you on the same day, the same time, all together?—A. Which big order?

Q. Well, all these goods which you have been stating to us, were they all ordered at the same time, on the same date?—A. \$11,000, yes, sir.

Q. On the same date?—A. Yes, sir.

Q. By whom?—A. Direct from Ottawa.

Q. Now, did you get an order in writing from some one?—A. Yes, sir, we got it in writing.

Q. Where is this order, please?—A. I do not know if we have still got it here, you know, because after three years we destroy our papers.

Q. This is 1904?—A. It is pretty near four or five years ago. After three or four years we cannot trace—it will take two days to find out. When anything is settled in our books we do not trouble. We have had so much difficulty with this that if we had known that before we would never have accepted this order.

Q. If you had known what before?—A. The trouble.

Q. What trouble?—A. To be brought into court.

Q. Well, to be examined?—A. To show our books. We are doing a business of \$2,000,000 a year, and to have a small affair like that—

Q. So you say this \$11,000 is a drop of water?—A. If we had known it before we would not have accepted the order.

Q. Now, Mr. Hudon, it is our duty to go to the bottom of this matter. I am very sorry to have to do it, but we must do it. Surely, before you got this order in writing from the department in Ottawa you must have seen some one in connection with it; whom did you see?—A. I saw nobody.

Q. Well, how did you come to get this order, that is what I want to know from you?—A. I did not see anybody.

Q. I know, but somebody must have come to you, or you must have known the goods were wanted or something. How came you to get this order?—A. I heard there would be an expedition to the north pole.

Q. Yes?—A. And I went to see Mr. Préfontaine and asked him if our firm would be wanted to submit tenders and if we would be considered.

Q. To submit tenders? Is that what you meant?—A. Yes.

By Hon. Mr. Cassels:

Q. He asked Mr. Préfontaine whether his firm would be considered when they came to buy supplies?—A. Yes, your honour, that is just right what I meant.

Mr. PERRON.—Please go on with this story.

By Hon. Mr. Cassels:

Q. Mr. Hudon, if at any time you cannot express yourself in English, put it in French and we can translate it?—A. Thank you, your lordship.

By Mr. Perron:

Q. Tell us how the order was given you?—A. That was all. Mr. Préfontaine answered me: Certainly; he would do all in his power to get our firm—

Q. Say it in French and we will translate it?—A. Considered in this matter.

Q. And?—A. And if—15 days after Mr. Spain came to our office.

Q. This is Commander Spain, commissioner of the Department of Marine and Fisheries?—A. Yes.

Q. He came to Montreal to your store?—A. Yes, sir.

Q. Then what took place, let us see?—A. And he told us to give the best price we could on different kinds of goods, you know.

Q. Now, wait a second, please. Did he have a list with him?—A. He had a list.

Q. A list of what?—A. Of different goods. Some rolled oats, some flour and so on.

Q. What I want to know from you, Mr. Hudon, is this: When he asked you for prices, did he give you a list of the goods which are in substance mentioned in the list before me?—A. No, sir.

Q. What list did he give you?—A. He had some list in his own hand.

Q. You do not understand me. You say he asked for prices?—A. Yes, sir.

Q. Surely he could not ask for prices without telling you what goods he wanted?—A. Certainly. But I didn't have that list in my possession; he had it.

Q. Did he show you the list or what?—A. No, sir, he did not show me the list.

Q. How could he get prices from you if you had not in your possession a list of the goods he wanted?—A. Supposing I go to your office—.

Q. Answer me?—A. He came to our place and asked us for prices on such goods.

Q. Yes?—A. We gave our prices; that is all.

Q. Well?—A. A few days after we received an order from the government.

Q. What prices did you give him?—A. I don't remember. It must be those prices.

Q. I am not asking whether it must be those prices. I am asking if those prices you gave him at the time are exactly the same as those charged now?—A. Yes, certainly. As I told you before, we have only one price; we cannot change. Suppose we have got 22 salesmen; suppose one of the salesmen is given a special price, it would be a Babel. We have a list; we have a system every week. If a change occurs during the week we give the change to our travellers. We have 22 travellers, but there is only one price for every one.

Q. But on a big order like this surely you must have given special prices? You knew it was to be a big order?—A. We cannot give a special price. One of these prices is the fixed price from the manufacturer. As I told you, I gave all the proof to Mr. Duff and he went through my books, all my details.

Q. What do you mean by that, went through all your books, what is it you showed Mr. Duff?—A. Every question that Mr. Duff asked me—

Q. But what did he ask you? I want to know from you what you showed him?—A. He asked me to show him the prices and at what prices those were sold to other people for. More than that we have shown him we have sold, for instance oil and soap, we are selling those articles to the government cheaper than to the ordinary customer because we get a special price for a big quantity. For instance, you take Comfort soap. A single box is \$4; a box by five case lots \$3.85; by 25 case lots it is \$3.75; by 100 case lots \$3.75.

By Hon. Mr. Cassels:

Q. Were any tenders advertised for in connection with this?—A. I don't remember your honour.

By Mr. Perron:

Q. Well, when you gave those quotations to Commander Spain, what did he tell you at the time?—A. Nothing.

Q. Well?—A. He said, 'You will have to give us the best price,' that is all. At the time we did not have any order. We gave him our best price.

Q. Do you know if prices were asked from some other firms, either in Montreal or Quebec, some other wholesale grocers?—A. I cannot say as to that, I do not know.

Q. You do not know?—A. I do not know.

Q. How many days after you had given this list of prices to Commander Spain did you say you got the order?—A. About fifteen days after.

Q. Did you see Commander Spain then?—A. No, sir.

Q. Well, then, when did you see him after giving the quotations, how long after?—A. I did not see him after. I saw him, perhaps he came to our store to give us more orders, to add some other goods, after we received the order from the government he came to our office to add some other goods, that is all.

Q. But in connection with the *Arctic* also?—A. I am talking about the *Arctic* expedition.

Q. Let us come to the *Arctic* expedition?—A. I am talking about that.

Q. Did you see Commander Spain after you had received the order from Ottawa, that is what I want to know from you?—A. Yes, sir.

Q. You saw him?—A. Yes.

Q. How long after you received the order from Ottawa did you see Commander Spain?—A. Three or four days after.

Q. Where did you see him?—A. He came to our office.

Q. What did he want?—A. He wanted to add some other goods.

Q. Do I understand you to say that he wanted to increase the order?—A. To increase the order, sir.

Will you tell me now what goods were ordered on his second visit, that is what I want to know from you?—A. It was some pearl barley.

Q. What do you call it?—A. Barley.

Q. Pearl barley and what?—A. Barley and rolled oats, you know.

Q. Pearl barley and what?—A. Rolled oats.

Q. What quantity of pearl barley? Now, one second. Do you swear that these two articles, pearl barley and rolled oats, are the only ones that were ordered from you on Commander Spain's second visit after you had received the first order? I want to be very sure of this?—A. I cannot swear. It is what I remember now. I think we received from Mr. Spain written orders to our store.

Q. That is not an answer to my question. You stated to us, Mr. Hudon, that after you had given quotations you received an order in writing from Ottawa?—A. From Ottawa.

Q. You have also stated that after you received the first order Commander Spain came to your office and ordered some more goods. Is that it?—A. Well, you see, Captain Spain did not give us a verbal order. He came with an order. I am not sure whether we received the order after from Ottawa.

Q. Well, we must make that clear?—A. We received the order from Ottawa.

Q. You have stated so far that you received two orders in connection with the *Arctic*?—A. Yes.

Q. Well, in what length of time?—A. About three days after we received the biggest one we received an order for the smallest one.

Q. Well, I want to know what goods were ordered in what you call the small one, the small order?—A. It is all mixed up here.

Q. Well?—A. I think it was rolled oats and barley.

Q. I want you to be sure?—A. I cannot be sure. It is all mixed up now. I cannot swear, because it is all mixed up here.

Q. Well, what in your recollection?—A. Eh?

Q. What is your recollection, was it a big order, the second one?—A. No, no, it was a small order.

Q. Well, how many items were there?—A. About a couple of items.

Q. You are sure about the pearl barley and the rolled oats?—A. I noticed it was a cereal.

Q. Let us take pearl barley. What was the amount in money?—A. The barley was \$70.88.

Q. Oh, if I had known that I would not have pursued it. Well, what about the rolled oats?

By Hon. Mr. Cassels:

Q. Was not all this gone into before the Public Accounts Committee?—A. Certainly.

Q. Have you a copy of the evidence there?

MR. PERRON.—I may tell you, my lord, the reason why we are going so fully into it here is because before the Committee I understand Mr. Hudon had not his books. That is what we have been informed.

WITNESS.—I beg your pardon?

Mr. PERRON.—And now he has his books here and we have the original invoices which I instructed Mr. Duff to get, so we will be able to go to the bottom of it, because Mr. Duff, I understand, got from Messrs. Hudon and Orsali—these were his instructions—the original invoices so that we might find out exactly the profits on each of these big items. Those were my instructions. I understand they were carried out. That is the reason for going into them now.

Q. You say there were two orders given, one by Commander Spain on the second visit. I want to know what was the amount of the order?—A. \$60 of rolled oats.

Q. Well now, Mr. Hudon, what is the largest item in this?—A. It was canned meats.

Q. What was the amount?—A. Canned meats and canned vegetables, about \$6,000.

Q. Do I understand you to say that out of this amount of \$11,000, there was \$6,000 for canned meat and canned vegetables?—A. Yes, sir.

Q. Would it be possible for you to tell me about how much for the canned meat and about how much for the canned vegetables?—A. The average was 10 per cent.

Q. No, no. How much in money for canned meat and how much for canned vegetables; what is the proportion?

Hon. Mr. CASSELS.—About five to one.

By Mr. Perron:

Q. Yes?—A. \$4,000 for canned meat—

Q. And \$2,000 for canned vegetables?—A. Yes, sir.

Q. Tell me what profit you made on the \$4,000 worth of canned meat?—A. 10 per cent.

Q. Have you shown your invoices to Mr. Duff?—A. Yes, sir.

By Hon. Mr. Cassels:

Q. Where did you buy the canned meat?—A. From Mr. Clark, William Clark.

By Mr. Perron:

Q. Where?—A. Of Montreal.

By Hon. Mr. Cassels:

Q. You bought them from William Clark?—A. Yes, your honour.

Q. What is his occupation?—A. He is a manufacturer, a packer.

Q. He packs them himself?—A. Yes, sir.

Q. That is, he cans them himself?—A. Yes.

Q. You bought them from him and resold to the government?—A. Yes, sir.

Q. Making a profit of 10 per cent on these articles?—A. Yes, sir.

By Mr. Perron:

Q. Gross or net profit?—A. Gross.

Q. What difference do you make between the gross and net?—A. We have to calculate our expenses.

Q. What do you mean by expenses?—A. We have some clerks there. They don't work for the pleasure of it.

Q. What I want to know from you, Mr. Hudon, is this: When you say you made a profit of 10 per cent on the canned meat, what do you mean?

Hon. Mr. CASSELS.—What he means to say is, he got them from Clark at 10 per cent less than what he sold them for?—A. Yes.

Q. The real point is whether the government could not have gone to Clark themselves?

Mr. PERRON.—That is what we want to know.

By Mr. Perron:

Q. Mr. Clark is well known as a packer in Montreal?—A. Yes, sir.

Q. And in the old country his goods are well known?—A. Yes, sir.

Q. Why could not the government go to William Clark and save this \$600?—A. They wouldn't have saved 10 per cent.

Q. Why not?—A. It is against the rules. They have to protect the wholesale trade. Suppose a retail man goes to Clark and gets a price—they will have bought from Clark exactly at the list price.

By Hon. Mr. Cassels:

Q. Would not Clark sell a large order like that direct?—A. No.

Mr. PERRON.—Do you mean to tell us that the government going to William Clark—

Hon. Mr. CASSELS.—When you say the government you mean the officials of the Marine Department?

Mr. PERRON.—Yes.

By Mr. Perron:

Q. If the officers of the government should go to William Clark and say: 'We want \$4,000 worth of canned meat for a ship,' do you mean to say that they could not get it at the same price that you are getting it yourself?—A. No, sir.

Q. Do you mean it really?—A. I mean it really; what I say I mean.

Q. Have you any example of it before that the manufacturer would refuse to sell to a large customer like the Department of Marine and Fisheries at the same price that he would sell to you wholesale; because that would be a wholesale order?—

A. It cannot be only once in ten years, and we are regular customers, having been in business 38 years. We have bought over \$35,000 of canned goods from Clark in a year.

Q. How long do you say you have been in business?—A. 38—that is, 15 years.

Q. I understand you persist in swearing the officers of the department could not have got from William Clark the goods at the same price as you did?—A. Yes, sir.

Q. Well, we will see Mr. William Clark.

Mr. WATSON.—What is the address of that firm?

By Mr. Perron:

Q. Amherst street—A. If you get their prices and their address—William Clark, of Montreal, is well known.

Mr. WATSON.—All right.

Hon. Mr. CASSELS.—If tenders had been called for for a large quantity of goods, would they not have responded.

Mr. WATSON.—I will find out from themselves.

Hon. Mr. CASSELS.—That is the point.

Mr. WATSON.—It is important as a matter of system.

Hon. Mr. CASSELS.—I do not know what the facts are, whether tenders were called for for this particular thing or not. It would appear not so far. They may have tendered and not have been successful.

By Mr. Watson:

Q. Do you know whether William Clark & Son would have tendered if tenders had been asked for by the department?—A. I do not know.

By Mr. Perron:

Q. You do not know?—A. I do not know. You know they have to protect the trade.

By Hon. Mr. Cassels:

Q. But you do not know whether tenders were called for for this order? It would appear from your statement as if it were a special order from Mr. Préfontaine?—A. No.

Q. How did you find out they wanted these goods?—A. You see, this was a big expedition, I saw some report from the American government and so on that they would require so much different goods and so on.

By Mr. Perron:

Q. Well, now, it appears, or you seem to indicate you seem to say that you got this order purely and simply on account of your friendship with Mr. Préfontaine?—A. Yes, sir.

Q. That is what you say?—A. Yes, sir.

Q. That is the only reason?—A. Yes, sir.

Q. You got this order for that sole reason?—A. Because our firm was a Liberal firm.

Q. And that is the only reason why you got this order?—A. Yes, sir.

Q. Otherwise you would not have got it?—A. I do not know, I cannot tell you that.

Q. Well, it is for you to say, Mr. Hudon, you know your business, don't you?—

A. I know my business.

Q. Then we have to take it for granted you got this order purely and simply because of your friendship with Mr. Préfontaine?—A. Certainly.

Q. That is what you state?—A. Why, certainly; they know our prices will be as low as anybody else's in our trade.

Q. How would they know that?—A. It is very easy to know.

Q. I do not know how it is very easy for a minister to know what your prices are?—A. They know we are one of the four big grocers in town.

By Hon. Mr. Cassels:

Q. How many of them are Liberals, supporters of the government?—A. Two.

Q. Who are they?—A. They are Hudon, Hebert & Co., L. Chapeaut and us.

By Mr. Perron:

Q. Then I understand you to say that no tenders were asked for for this order?—A. I don't know.

Q. Well, you seem to say that anyway?—A. Yes.

Q. Surely, if you got the order purely and simply through your friendship with the minister, no tenders were asked for?—A. We did not.

Q. That is what you seemed to say?—A. Yes, sir.

Hon. Mr. CASSELS.—He would let him in if any tenders were asked for.

Mr. PERRON.—If the witness got the order through his friendship with the minister, it is only fair we should know it. That is what he says himself. He knows what he says himself, I suppose.

Q. If you got this order through your friendship with the minister, it is because no tenders were asked for, surely you must know?—A. I know no tenders were asked for, for our goods.

Q. No tenders were asked for anybody?—A. I don't know, I cannot tell you what has been done in any other way, I don't know at all. I only know we received this order stating we had to sell those goods at the lowest price and that they must be of Canadian make.

Q. Now, you stated to us how much profit you made on the canned goods, canned meat I mean?—A. Yes, sir.

Q. You stated also that you sold over \$2,000 worth of canned vegetables?—A. Yes, sir.

Q. Well now, will you please tell us how much profit you made on this \$2,000 worth of canned vegetables?—A. Ten per cent.

By Mr. Watson:

Q. That in the same way is the difference between the purchasing and the selling price?—A. No. You see the vegetables are from the Canadian canners.

Q. I mean to say is that the gross profit or the net profit?—A. The gross profit.

By Mr. Perron:

Q. What profit did you say?—A. 10 per cent.

Q. Where did you get those goods?—A. From the manufacturers.

Q. Who?—A. The Canadian Cannery, Limited, the largest firm in the Dominion.

Q. Where is their office?—A. Hamilton.

Q. You say you made on this order the same profit that you made on the canned meat?—A. Yes, sir.

Q. Well, why did not the government get this order also from the manufacturer himself?—A. The Canadian Cannery don't sell under a carload, sir, of each kind. They don't sell to the government; they sell to the trade only.

Q. What makes you say the Canadian Cannery do not sell to the government?

MR. WATSON.—Because, he says, they sell no less than a carload at one time.

By Mr. Perron:

Q. That is not your only reason?—A. Suppose a private firm comes to our store, we don't sell retail. These people have to protect the trade.

Q. You have surely over a carload of stuff there?—A. Not of each different kind. They have not bought one carload of strawberries. They would have to buy a carload of each kind.

By Hon. Mr. Cassels:

Q. Do you sell retail yourself?—A. No, your honour.

By Mr. Perron:

Q. Well, now, you have so far given us \$6,000. Let us come to the big items of the \$5,000?—A. You have the \$5,000.

Q. I want to know what the big items are?—A. 100 cases of condensed milk.

Q. What is the amount?—A. \$600.

Q. Yes. What else?—A. We have got some ham.

Q. How much?—A. \$500 and something.

Q. Next?—A. Chocolate, and Baker's cocoa.

Q. How much, give me the figures?—A. \$660.

Q. Of what?—A. Cocoa.

Q. Yes?—A. And chocolate.

Q. How much?—A. \$744. You have condensed milk, \$600?

Q. Yes?—A. Concentrated eggs.

Q. How much?—A. \$1,000.

By Mr. Watson:

Q. What do you mean by concentrated eggs; bad ones?—A. I don't know which way you understand it.

By Mr. Perron:

Q. What are concentrated eggs?—A. Well, dry, dessicated imported goods. Biscuits.

Q. How much for biscuits?—A. \$852, you know.

Q. \$800 and —?—A. \$852.

Q. Then next?—A. Bacon.

Q. How much?—A. \$314.

Q. Yes. Next?

MR. WATSON.—I was going to suggest that perhaps my learned friend might avoid any further details as to figures.

WITNESS.—French sardines, \$750.

By Mr. Perron:

Q. That makes \$5,000 or thereabouts?—A. Yes.

HON. MR. CASSELS.—The real point is whether the government could have gone to the people from whom he bought and paid the same price as he paid, thus saving the 10 per cent.

Mr. WATSON.—Yes, taking it as a class, as a whole.

Mr. PERRON.—Yes. I want to go into it thoroughly as well as I can.

Hon. Mr. CASSELS.—Follow your own way, Mr. Perron.

Mr. PERRON.—I do not want to take up too much time, at the same time I wish to go into this thoroughly.

Hon. Mr. CASSELS.—We are here for that purpose.

Mr. PERRON.—I am responsible for the witness, and his information at present—

Hon. Mr. CASSELS.—What Mr. Hudon's evidence amounts to simply is this: He is a wholesale dealer; he goes out and buys and makes a profit of 10 per cent.

By Mr. Perron:

Q. Now, what profit did you make on these divers items you have given me so far?—A. Some 5 per cent, some 10 per cent, some 7½ per cent.

Q. Not over 10?—A. Not over 10 per cent.

Q. Is that net profit or gross profit?—A. Gross profit.

Q. Well now, this is all for the *Arctic*?—A. Yes.

Q. In the following years I see only one big item, \$575.04?—A. Yes.

Q. May 5th, 1905?—A. Yes.

Q. Well, what is this item for?—A. Will you be good enough, Mr. Watson, to let me have the invoices?

By Mr. Watson:

Q. Yes.—A. Twenty-five barrels double boiled linseed oil at 48 cents per gallon.

By Mr. Perron:

Q. How much profit?—A. Half a cent per gallon.

Q. How much have you paid on all this?—A. Not a cent.

Q. Well, I think I will leave it at that.

Mr. PERRON.—My lord, I have gone perhaps into too many details, but I wanted to clear up this account. Has your lordship any questions?

Hon. Mr. CASSELS.—No, I have no questions.

Mr. PERRON.—Well, that is all right. You will have to remain here for a second

Mr. Hudon. With your permission, my lord, I will call Mr. Duff.

Mr. WATSON.—That is in regard to this matter?

Mr. PERRON.—Yes. I am going to finish with this.

J. M. M. DUFF recalled.

By Mr. Perron:

Q. Mr. Duff, you have already been sworn. Have you examined the books of the firm of Hudon & Orsali?—A. I did briefly on Saturday.

Q. Only briefly?—A. Yes.

Q. That won't do. You will have to examine them again. We want them thoroughly examined?—A. I will tell you what I did.

Q. Yes.—A. I looked up the account in the ledger of the Marine and Fisheries department, I selected some of the larger items near the beginning.

Hon. Mr. CASSELS.—Is Mr. Hudon gone?

Mr. PERRON.—He is here, my lord.

Hon. Mr. CASSELS.—I did want to ask him a question.

ALBERT HUDON recalled

By Hon. Mr. Cassels:

Q. You say these orders came through the intervention of Captain Spain?—A. I saw Captain Spain only twice, you know.

Q. Did you see Colonel Gourdeau too?—A. No.

Q. Was any commission allowed of any kind by your firm?—A. No, your honour, I will tell you right out.

Q. I do not mean commission in money. There may be other kinds?—A. No, sir.

Q. Any inducements?—A. No, your honour.

Q. To any of the officials?—A. No, your honour.

Q. No inducement whatever?—A. Nothing of the kind, not a word.

J. M. M. DUFF, recalled.

By Mr. Perron:

Q. Well, Mr. Duff?—A. I selected some of the prominent accounts at the beginning, at the middle, and near the end of the account, and I made an analysis of them, I got the cost.

Q. Where did you get the cost from?—A. From the price list that he showed me. I have some of the price lists here that he showed me. I took the original sheets of charges with me, verified them, and calculated the gross profits on the transactions.

Q. Well?—A. I also examined a little to see whether they were charging the same prices or less or more to the government than they were charging to other people, and I found that in all cases the government got the advantage.

By Hon. Mr. Cassels:

Q. Do you say that to any extent?—A. Sir?

Q. Was that to much extent?—A. Well, they did not pay more than anybody else, and in many cases they paid a good deal less.

By Mr. Perron:

Q. Can you indicate one case where they paid less?—A. That case Mr. Hudon spoke of a few minutes ago about the linseed oil, 27 barrels amounting to \$575. They made \$5.99 on the transaction.

Q. Amounting to how much?—A. \$575 and four cents. They made \$5.99 on the transaction.

By Hon. Mr. Cassels:

Q. In dealing with this are you taking the aggregate of a large order?—A. That is one order, your lordship, one invoice I am speaking of.

Q. Yes; but you are dealing with one order, a small order. Do you find any similar large orders to other people?—A. This large order for the *Arctic*.

By Mr. Perron:

Q. I want to know how much they made on these dealings in the case of the *Arctic*?
A. This is an invoice of \$11,129.92.

Q. Yes.—A. I went into it pretty carefully and found they made under \$500 on the whole transaction gross. I was a little surprised to hear Mr. Hudon's remarks about it, because I don't think my figures and his would agree; but I think I am correct.

Q. That is to say, he stated he made more than he really did make?—A. I think he thinks he made more than he really did.

By Hon. Mr. Cassels:

Q. I suppose he knows what he paid for the canned meats and what he sold them for?—A. I know, but I don't think he has gone into the addition so carefully.

Q. You were taking the whole order. Take the canned meats. He cannot be mistaken?—A. No, my lord. I took the whole invoice of \$11,129.92 and I found the total profit he made upon that whole invoice was just under \$500, or under $4\frac{1}{2}$ per cent on the whole.

Q. Then he must have lost on some goods?—A. Some goods were a good deal lower than others.

Q. He must have lost on some?—A. I don't think he lost. I think perhaps he stated for canned goods rather larger than they are in the invoice.

Q. He ought to know himself?—A. He should know, but I don't think he analysed it as carefully as I did.

Q. Did you find any corresponding sales of amounts of \$10,000?—A. No, your lordship, I found no large amounts like this.

Q. From recollection, what are the largest sales you can compare it with?—A. We have the ledger here at hand, we can find out at once. Perhaps Mr. Hudon might help me a little. See if you can find a big customer about the same time, Mr. Hudon \$11,000 in August, 1904. Have you another big customer about the same time?

Mr. HUDON.—We have two ledgers, we have six ledgers.

Mr. PERRON.—Give us something to compare with it.

Mr. HUDON.—In October, \$1,059.

Q. What is the total for the year of this man?

Mr. HUDON.—\$9,416.

Q. Who is that?

Mr. HUDON.—Procul Ranger.

Hon. Mr. CASSELS.—That would spread over a lot of orders?

Mr. HUDON.—Yes.

Mr. PERRON.—What is the largest?

Mr. HUDON.—\$1,000.

Q. Have you sold by large quantities more than \$1,000 worth?

Mr. HUDON.—Yes, we have sold \$4,000, \$6,000.

Q. To whom?

Mr. HUDON.—Joe Beddimer, Procul Ranger and some other customers.

Q. Pick out one of those large orders of \$4,000 or \$6,000?—A. (Mr. Duff). Since 1903 this whole account only comes to \$25,000.

Q. I know?

Mr. HUDON.—\$9,416.

Q. That is for one order; we are asking for one order?

Mr. HUDON.—No, we never had so much.

Q. What is the largest order?

Mr. HUDON.—\$3,000, \$2,000.

Q. \$3,000 from whom?

Mr. HUDON.—Joe. Beddimer.

Q. Have you that \$3,000 shown there?

Mr. HUDON.—We have six ledgers.

Q. Never mind, you cannot get it.

Mr. PERRON.—Has your lordship any questions to ask Mr. Duff?

Hon. Mr. CASSELS.—I have no questions to ask.

Mr. WATSON.—I have a number of other witnesses here.

Hon. Mr. CASSELS.—Then we had better adjourn until a quarter after two.

Adjourned accordingly.

Commission resumed at 2.15 p.m.

Mr. WATSON.—My lord, I want to ask two or three questions of Mr. Boucher preliminary to his chief examination.

U. P. BOUCHER, sworn.

By Mr. Watson:

Q. Mr. Boucher, you have been the chief agent of the department here at Montreal?—A. Yes, sir.

Q. For a considerable number of years?—A. Only for three years.

Q. That is all?—A. I was buoy engineer before that.

Q. And for three years past you were chief agent?—A. Chief agent.

Q. And I have been informed that on the 20th of August—I was told the 28th—st—you sent in your resignation?—A. Yes, sir.

Q. Is that a fact?—A. I have a copy of it here.

Q. Oh, have you?—A. In French.

Q. Perhaps you might affix your signature to it so that we will know it is quite authentic. (Witness signs copy of resignation marked Exhibit 56.)

Q. That is dated the 20th of August?—A. Yes.

Q. Now, then, during the time you have been here as chief agent I assume you have had a bank account?—A. Sure.

Q. You have had a bank account?—A. Sure.

Q. Not merely in your capacity as agent have you had a bank account?—A. No, sir. I have only had one, my personal account.

Q. You have had a bank account for yourself individually, your own individual bank account?—A. Yes, sure.

Q. With what bank?—A. With the District Bank, the Montreal District Bank.

Q. Have you had more than one bank account?—A. No, sir, I have not.

Q. And in connection with that bank account I assume that you have a cash book?—A. No. My cash book is my cash account, and my cheques are remitted every month.

Q. You have a cash account then that is kept separately from the bank book?—For my personal use?

Q. Yes?—A. No.

Q. Have you no separate cash account apart from the bank book?—A. I had one at the department.

Q. I am not speaking of the department, only of yourself?—A. No, sir. I have only my bank account which I check with the cheques which are returned to me every month.

Q. I see. Nothing else?—A. Nothing else.

Q. Have you an individual ledger book?—A. No, sir.

Q. Or journal?—A. No, sir.

Q. Then you have your bank book during that period and you have your cheques?—A. I haven't got my cheques, because after I have checked them with my bank book they have no more use for them.

Q. Well, but you have at all events the stubs?—A. I have some stubs, yes, sir.

Q. Yes. What else have you kept besides the bank book and the stubs of cheques?—A. In relation with my bank account I have nothing else.

Q. Then will you be good enough to produce those here before us and before his ship to-morrow morning?—A. I will.

Q. You will?—A. I will.

Q. Anything of that nature affecting your individual personal business transactions?—A. Certainly.

Q. That is what I wanted to ask you. Then you will be good enough to have them with you to-morrow morning, when I will pursue it further?—A. Sure.

Hon. Mr. CASSELS.—To-morrow at what hour?

Mr. WATSON.—At half past ten, if you please.

A. Thank you.

Mr. WATSON.—I want to get at the root of these matters, my lord. Mr. Shore, have some officials here of your company?

EDWARD SHORE, recalled.

By Mr. Watson:

Q. What have you here, Mr. Shore?—A. These are our ledgers.

Q. What other books have you got here?—A. I have all the ledgers, the cash book—

Q. Let us see what you call your ledgers?—A. These are our ledgers (producing.)

Q. That is, these same little sheets?—A. The same little sheets.

Q. Put together?—A. Just our current accounts; just the same as those we showed you this morning in every respect.

Q. Let us have one of these, please. Now apart from these you said you had some other books, a cash book, a journal, a bill book?—A. This is the cash book (producing.)

Q. And receiving book? That is the cash book—A. Now, when money comes in it is entered in this book, and then the bookkeeper posts it into the ledger into each individual account. You see, there is E. Broulet.

Q. Let us see the entries. Take 1905. Let us see the entries made to the department?—A. They are not in this book.

Q. Why not?—A. This only dates back to March, 1907.

Q. Where is the one before that?—A. That would be up with all the other books at the head office.

Q. The head office. Do you mean to say that you do not destroy the cash books and journals?—A. No.

Q. Why not?—A. They are all sent on to the head office.

Q. Why are not those destroyed too?—A. The inspector of agencies always has them sent up. As soon as the book is filled, like the cash book, it is checked up with our books here and is sent up to our head office.

Q. But that becomes useless the same as the ledger. Why destroy the ledger?—A. We do not destroy the ledger.

Q. I thought you said they were destroyed?—A. No; as soon as settled there, as soon as we have the trial balance for the month, we file the sheets away in these long boxes under the names of the towns just the same as they are in the ledger.

Q. What is destroyed?—A. All the correspondence connected with the account. We take off every month a statement of the account; it is filed away in this cabinet (producing.) This is only half the cabinet. I did not want to bring up all the cabinet. Now, there is a man that owes us some money, the Hickey estate, Gowa Bay, Prince Edward Island. Now, the collection clerk works on that—

Q. That is 1908?—A. Yes, sir.

Q. Are these ever destroyed?—A. Yes. As soon as that account is paid, that together with all correspondence, such as that letter, which is one from the Hickey estate, would be destroyed, would be thrown out. It is of no more use. The only record would be the record sheet.

Q. You say as soon as paid?—A. As soon as paid.

Q. That is your statement?—A. Yes.

Q. Do you know any other firm or company that adopts that same system?—A. No, I don't.

Q. It is new to me?—A. Well, it is partly my own invention. It is a saving time that I don't think is to be equalled by any other system I have ever heard of.

Q. It would be a saving of trouble if you have to be investigated afterwards. A. We never had such a thing before.

By Hon. Mr. Cassels :

Q. If they are going to be of use it would be in case of a customer wanting to get back money paid.—A. I cannot conceive of any possible use it would ever be.

By Mr. Watson :

Q. For future reference if some one sued you to get money back?—A. Then I have the ledger sheets.

Q. But you would not have the proofs.

Mr. WATSON.—I do not wish to pass unduly any criticism upon the firm, my lord. I know it is a prominent, respectable firm, but the system appears peculiar.

By Hon. Mr. Cassels :

Q. The only object in keeping those letters would be to protect them against any claim for refund; that is all it amounts to, because the ledger and books show the state of the business. They would run the risk of not having proofs if any one sued them.

—A. I do not remember any one case since I have been in charge of the business since running the system, where it has been necessary to refer back.

Q. After settlement?—A. After settlement, precisely. It eliminates all debt correspondence.

By Mr. Watson :

Q. About how many current accounts do you have?—A. About 2,000. It will vary, but the average is about 2,000. Sometimes they run down to 1,300, sometimes they run up to 3,500.

Q. Then where is your cash book, is that it? (indicating).—A. Yes, that is the cash book (producing).

Q. Now, when does that cash book commence?—A. In March, 1907, March 1st.

Q. Where is the account of the department?—A. The department have paid us money. There is an entry just the other day (indicating).

Q. No. Take the account for 1907 with the department?—A. That would be in the ledgers. You mean our ledger account with the department?

Q. Whatever account you have these payments should appear in the cash book, should they not, they are entered there?—A. Yes.

Q. Under their heading. Let me see them please.—A. I would have to be given some date.

Q. The beginning of 1907. Do the names of the customers appear there?—A. Yes.

Q. You have an index?—A. No. Each item is posted straight into the ledger account and would appear in the ledger under that man's name.

Q. Let me see the system then in regard to the Marine account. What is the first entry in that book?—A. Cash received from the Marine Department. If I had those ledger sheets you have there, those that you have on file.

Q. Could not you take your ledger and refer back?—A. Yes.

Q. Those are of 1905?—A. But you have them all there, 1906 and 1907 as well.

Q. All right.—A. April 10th, C.B. 23 for \$180, the Department of Marine and Fisheries, Ottawa, \$180; and there is where the cash is entered: April 10th, by cheque, C.B. 23, \$180.

Q. I see. Now, you have no index here?—A. No, but we can trace any entry in the book in a very short time.

Q. Let me see the entry there. What month is that for?—A. April, 1907.

Q. March, 1907, don't I see there?—A. That is April. Here is March, 1907, here (indicating).

Q. Now, give me the first item there in which Mr. Boucher's name appears?—A. Mr. Boucher?

Q. Yes. Do you know Mr. Boucher?—A. No.

Q. You don't know him at all?—A. No. Mr. Boucher do you mean?

Q. He was the chief agent of the department at Montreal?—A. No, I never saw him.

Q. What individual official was it that used to call upon you most frequently?—A. To my knowledge there was never a government official in the office.

Q. There never was?—A. There never was.

Q. Did you never see one at Ottawa?—A. No, I never saw one at Ottawa at all.

Q. All by correspondence?—A. Yes.

Q. And does the name of any government official appear in your books as a customer or as a man with whom transactions have been had?—A. No.

Q. You are sure?—A. Sure, positive.

Q. Now, that is the cash book. Let me see the journal.—A. That is the journal, the current one I have here, (producing).

Q. When does this commence? This looks like a lawyer's, it is small.—A. That is June, 1908, I think.

Mr. WATSON.—This begins in June, 1908?—A. Yes.

Q. Have you got one before this?—A. Yes, but that would be up in Toronto. Our year ends the 30th of June.

Q. What do you enter in the journal?—A. Well, allowances, freight allowances to a man or company, or if we make an allowance to a customer. Perhaps the barrels leaked or something and an allowance to a customer. Perhaps the barrels leaked or something and an allowance is made.

Q. Anything like commissions?—A. Oh, no.

Q. Eh?—A. No.

Q. Where do you enter those allowances, commission allowances?—A. We don't make any commission allowances.

Q. You don't make any commission allowances?—A. No.

Q. And there is nothing else in the journal but items of credit?—A. That is all.

Hon. Mr. CASSELS.—Just grease, Mr. Watson.

Mr. WATSON.—Yes.

Q. Then where are the items to make the account run, the lubricating items?—A. There has been a good deal said about that, but McColl Bros. & Co. do not do business that way.

Q. Then where is your next book, the bill book, the receiving book?—A. This is the bill book. That is just the notes of customers.

Q. You had nothing of that kind from the department, I assume, no bills from them?—A. No, nothing at all.

Q. And the same way with your receiving book, what do you mean by that?—A. That is just one kept by the shipper which shows the goods coming in. He makes an entry here of a shipment from the Meakins Brush Company.

Q. You mean goods going out?—A. No, goods coming in. That is to keep a check on our invoices.

Q. Then what employees have you here?—A. I have the bookkeeper and the collection clerk here.

Q. The bookkeeper and the collection clerk?—A. Yes. I brought the bookkeeper to corroborate that these are all the books and that that is the way the books are always run, and the collection clerk.

Q. That will do. Then what is the name of the bookkeeper?—A. Mr. Lanthier.

Q. Let him present himself, please.

JOSEPH E. D. LANTHIER, sworn.

By Mr. Watson:

Q. How long have you been bookkeeper for the firm?—A. Since the 9th of April last.

Q. The 9th of April last?—A. Yes.

Q. And during that time have there been transactions with the Department of Marine and Fisheries?—A. Yes, a few, yes.

Q. A few. Let me see the correspondence bearing upon those?—A. I can show you in the sale book.

Q. No; the letters, the correspondence?—A. That is more in the collection department.

Q. Have you ever seen that?—A. If I have seen some it is only by accident.

Q. Eh?—A. It would only be by accident.

Q. Yes. Have you any knowledge of any documents or letters or papers being at any period destroyed in the office?—A. Yes.

Q. What?—A. Current statements.

Q. What?—A. Statements coming back, paid statements.

Q. What?—A. Some paid statements; those that are used in the collection department. I don't use them.

Q. Have you any knowledge of them?—A. Well, I see them. I don't work with them.

Q. Have you any knowledge of any such being destroyed?—A. Yes.

Q. What knowledge have you?—A. Well, supposing a note is paid for this under notes—I am working on those notes receivable—and as soon as the note is paid I tear it out myself and put it in the waste paper.

Q. You take out the note?—A. I take out the statements, the note, but not with the department, because I had nothing to do with the department.

Q. But the statement, the correspondence, have you any knowledge of the destruction of any papers, correspondence or letters?—A. I have answered three times. I don't know what you mean there.

Q. Eh?—A. I don't know what you mean there. I destroy all papers, statements, letters, in reference to any notes payable to us as soon as they are paid.

Q. As soon as they are paid?—A. As soon as they are paid.

Q. How often have you done that?—A. About 40 times a month; 40 to 60 times a month.

Q. That is oftener than once a day?—A. Sometimes.

Q. Under whose instructions do you do that?—A. Because they are no more use.

Q. But under whose instructions?—A. The rules that have always been followed in the office. Those were followed before me, and I have never seen any files for filing letters after things—

Q. Yes. Then you are bookkeeper?—A. Yes, sir.

Q. Where is the ledger into which the entries on these sheets are made?—A. That is for the sales.

Q. Yes. Where are they carried forward to?—A. That is the order on which the goods are shipped, brought back to the office, put on the file like that, which constitutes the ledger afterwards.

Q. They constitute the ledger. Are those not carried forward into any book called a ledger?—A. Into another book? No. Some are transferred, but only to persons with whom we are doing trade and have accounts, creditors.

Q. That will do.

Mr. SHORE.—I would like to ask this witness a question.

Mr. WATSON.—Yes.

By Mr. Shore:

Q. When you say you destroy correspondence, what is that correspondence you destroy?—A. The one I destroy is the one about notes.

Q. That is, when a note is past due the man writes in about it?—A. He writes in about it and settles it by another note or pays it.

Q. Then what happens to that correspondence the man writes in?—A. That I tear away.

Q. That is the regular custom of the office?—A. Yes.

Q. That you have been following?—A. Yes.

Mr. WATSON.—The collector.

WILLIAM H. CARSWELL, sworn.

By Mr. Watson:

Q. How long have you been with the firm?—A. Since the 22nd of May, 1907.

Q. And when was Mr. Walsh last in your office?—A. I don't know Mr. Walsh, sir.

Q. You don't know him?—A. No, sir.

Q. Have you not seen him during all that time?—A. I don't know him, sir.

Q. Have you seen him to your knowledge during that time?—A. No, sir.

Q. Not at all you say. Where is the correspondence with Mr. Walsh?—A. I have not seen any, sir.

Q. Not at all?—A. No.

Q. What becomes of the correspondence?—A. The correspondence with—

Q. With customers; for instance, with the Marine Department?—A. Well, any correspondence is put in the waste paper when the account is settled.

Q. How do you know that?—A. Because I do so myself.

Q. You do so yourself?—A. Yes.

Q. How often do you do it?—A. Perhaps once a month, perhaps twice a month, according as to how an account is settled. If a party settles up an account twice a month I do it twice a month, if it is settled once a month I do it once.

Q. How long has that existed?—A. Ever since I have been there.

Q. That will do.

Mr. WATSON.—It is only proper to say, my lord, that this examination has, in my view, become necessary, indeed rather critical, by reason of what has appeared in the report and the correspondence with their former agent.

Hon. Mr. CASSELS.—What page is that?

Mr. WATSON.—Page 76. The reference there shows that the correspondence was rather extraordinary. That, together with the evidence of Mr. Shore, showing the system which might fairly be said to be rather unusual, the way he put it, has necessarily led me to this more than usually critical examination; but in view of this evidence now I do not want to pursue it further, and beyond this criticism I do not desire that any reflection should be made upon the firm. The system appears to be their rule. I desire to state that the explanation appears to be a full explanation and does not carry with it, as far as I can observe, any reflection upon the firm, although it is a rather unusual system.

Hon. Mr. CASSELS.—Yes, my lord.

EUSTACHE U. LEMAY, sworn.

Mr. WATSON.—I would like these three accounts with the department to be filed, if you please. (Ledger slips filed as Exhibits 57, 58 and 59).

By Mr. Watson:

Q. Mr. Lemay, of what firm are you?—A. I am a lumber merchant myself.

Q. Doing business in your own name evidently?—A. Yes.

Q. Not incorporated?—A. No, not yet.

Q. It may indicate that you are not afraid of your liabilities?—A. They are pretty heavy.

Q. You are a lumber merchant, you say?—A. Yes, sir.

Q. With your head office here in Montreal?—A. Yes, sir.

Q. And how long have you been dealing with the Department of Marine and Fisheries?—A. Oh, many years. I think previous to 1896 also, I think so, I think we were dealing under the Conservative administration.

Q. I see. You have been selling to that department for a long time then irrespective of what party might be in power?—A. Yes, sir.

Q. Then, from that time forward about what have been your transactions, how much?—A. I have a record here since 1904.

Q. Yes.—A. And I find in the year 1904 we sold the department of Marine at Sorel \$3,190.73; in 1905, \$10,706.23; in 1906, \$7,842.52; in 1907, \$17,175.87; in 1908, this year, \$4,000.87. This lumber is sold f.o.b. Sorel and the freight amounted to over \$4,000, so that in the five years there was \$38,923.22.

Q. The freight was over \$4,000?—A. Over \$4,000.

Q. Shipped from where?—A. Shipped from all over, some from British Columbia, some from Ottawa, some from Liverpool, I think.

Q. You mean wherever your timber limits were?—A. No; whatever quality of lumber would be required. Take B.C. fir, it would be sometimes that, sometimes white pine, sometimes red pine, sometimes spruce. It came from different localities, different places.

Q. Then in connection with that they wanted lumber from British Columbia?—A. Yes, sir.

Q. Why not purchase it out there, why purchase it from a Montreal gentleman?—A. Oh, that is their own affair, I cannot tell you that, sir.

Q. You cannot tell me that?—A. No. We did not sell them much B.C. fir. I think the bulk of this was white pine, and some oak that came from Toledo.

Q. Do you deal on commission at all?—A. No, unfortunately not.

Hon. Mr. CASSELS—He does not understand your question.

WITNESS.—No, I do not deal on commission, it is direct.

By Mr. Watson :

Q. You are a buyer and seller?—A. Yes

Q. You are a producer and—A. I try to buy cheap and sell high.

Q. And make as much as you can?—A. It is pretty hard lately.

Q. I see. Then with whom have your transactions occurred, what official?—A. With the department. If you will allow me I will tell you how we trade with them.

Q. All right.—A. They generally send a letter, a printed form, a circular, saying 'please quote us on such and such things, f.o.b. here.' We reply by mail, and sometimes our tender is accepted and at other times it is not accepted.

Q. At other times it is not?—A. When we are too high.

Q. Then do you know as a matter of fact that others are solicited to tender in respect to the same matter?—A. Undoubtedly. I should think so. I beg your pardon, I judge that it is so because several times we quoted and did not get the order, so they must have somebody else.

Q. Or else abandon the project?—A. Well, perhaps.

Q. Then do you know of public advertisements for tenders?—A. Yes.

Q. In what instances?—A. Well, through the press.

Q. But how do they distinguish, do you know?—A. That I don't know.

Q. Sometimes it is so?—A. Sometimes it is.

Q. What is the proportion?—A. That I do not know.

Q. That you cannot tell?—A. I cannot tell.

Q. Then tell me this—A. I beg your pardon. Now, this is in reference to the Department of Marine and Fisheries?

Q. Certainly?—A. Not to the I.C.R.?

Q. That is all we are dealing with, the Department of Marine and Fisheries here?—A. That is all I am giving you.

Q. That is all we are dealing with. Then you said quite frankly you buy as cheaply as you can and sell at as large a profit as you can?—A. Naturally; that is business.

Q. Is it a fact that you are able to get a larger profit from the Marine Department than from the ordinary close business buyer?—A. No. It would be if it was not open to public competition, but I understand this is open to public competition; we have got to bid very low.

Q. Yes. But what is the fact with regard to that? How much more do you get usually on an average from the department than from others?—A. The same as we sell to others.

Q. Do you say so?—A. Yes, sir.

Q. Do you know of any instances where you have got more from the department than what you sold to others for?—A. Well, no, I don't think so.

Q. About what is the average?—A. If the amount was very large perhaps we might make a concession, but these amounts are not extra large.

Q. You might make a concession; that is, you would sell at a lower price?

—A. Yes, a little cheaper in large lines, cargo lots.

Q. Then are these comparatively small or comparatively large for one purchase?

—A. I don't think it is very much, \$38,000 in five or six years.

Q. Perhaps not, perhaps not. With whom do you deal chiefly?—A. With the Department of Marine at Sorel.

Q. They are your large customers?—A. I have an office in New York; I ship to Liverpool, Glasgow, South America, Canada and all over.

Q. And your purchases usually, are they large or small?—A. It depends on what is called large. Sometimes they are I think.

Q. Your turnover is about what?—A. A year?

Q. Yes?—A. Oh, a couple of millions of dollars or perhaps more. I cannot tell you that definitely, but it is about that.

Q. I do not want to inquire further?—A. My bookkeeper is here; I bought my bookkeeper here. It may be more. I don't think I should answer that.

Q. We do not wish to inquire into your private affairs unnecessary at all, sir. Have you ever been approached by or on behalf of the department in respect to matters of commission on purchases?—A. Never, never, never. Commission?

Q. Yes?—A. Not at all.

Q. Never heard of any such thing?—A. I have heard of nothing in connection with this. I heard, the same as anybody hears, through the press.

Q. Has anything ever occurred in the course of your dealings to reflect upon the honesty or integrity of any official?—A. None whatever, none whatever.

Q. Have you had any trouble or difficulties in connection with any of these matters?—A. Never—Oh, yes, sometimes troubles in this way: Lumber might arrive and would not be exactly to their pleasure. In all shipments there is always more or less rejects. Or sometimes they would make a deduction, with which we would find fault, but in that case I think it was always in the interests of the department.

Q. Yes. Then what, if anything, have you to say with regard to the department as a purchaser, an easy purchaser?—A. Oh, no, no; not an easy purchaser. If they ring a bell and call everybody to compete for two carloads of lumber it is not very easy. If there was no competition it would be perhaps a little easier.

Q. I see. I think that is all, Mr. Lemay, unless his lordship thinks of something

Hon. Mr. CASSELS.—All right.

Mr. WATSON.—There is just one other matter I want to refer to at this moment, my lord.

Since your lordship addressed us this morning with regard to the list of customers from Sorel, otherwise the patronage list, as it is sometimes called, I have sent about and made careful inquiries from the officials who are here, and I have been able, I am very glad to say, to obtain a full list as it exists at Sorel. I am very glad I was able to do so without waiting for it to come from Ottawa. I found they had more papers here than I anticipated, and I was not advised about it before.

Mrs. Thomas, I have a few questions to ask you.

Mrs. THOMAS, recalled.

By Mr. Watson:

Q. What is this list that you handed to me just before luncheon?—A. It is a list containing the names of merchants and firms in Sorel from whom the department purchased during the fiscal years 1904-5 up to 1908, from 1904.

Q. Up to the present time?—A. Yes.

Q. And does this contain the names of all from whom purchases have been made?—A. As far as I know. The officer who prepared that told me so.

Q. As far as the books are concerned?—A. Yes; of the merchants and firms in Sorel from whom the department purchased since 1904.

Hon. Mr. CASSELS.—One moment, Mr. Watson.

By Hon. Mr. Cassels:

Q. Is that a list of the firms in Sorel?—A. In Sorel, your lordship.

Q. From whom the department purchased?—A. Yes, sir.

Q. But the question put to you was as to the patronage list.

By Mr. Watson:

Q. Is that what is called the patronage list?—A. That is exactly what is called the patronage list.

Q. It is just the same?

By Hon. Mr. Cassels:

Q. I understand it is the list of names from which the government buy. At the same time it might not be the patronage list.—A. Yes, your lordship, that is the patronage list.

By Mr. Watson:

Q. That is what is called the patronage list?—A. Yes, from 1904.

Q. Is that explained by reason of the circumstances—I see there are about 100 of these?—A. Probably 87 or so.

Q. Eighty-seven?—A. Eighty and some odd number.

Q. And there are about twenty here on this list from whom it does not appear any purchases have been made?—A. We have not given them any orders yet.

Q. I see. There are 87 on this list?—A. That is a complete list up to date from 1904 to 1908.

Q. Why do you say 1904?—A. Well, previous to 1904 the St. Lawrence ship channel and the Sorel shipyard were under the control of the Department of Public Works. The management and control of the St. Lawrence ship channel and the entire dredging plant and all the appliances and steamers, &c., at the government yard at Sorel were transferred to the Public Works Department to the Department of Marine and Fisheries I think in March, 1904.

Q. Have you any copy of the order in council?—A. I have just a précis of it somewhere. This is just a little reference book of my own (producing).

Q. In this it appears that by order in council on the 11th of March, 1904 the management and control of the River St. Lawrence ship channel, together with the dredging plant and all appliances and steamers, was transferred from the Department of Public Works to the Department of Marine and Fisheries, such transfer to take effect only from the 1st of July, 1904.—A. That is right.

Q. Now, looking at that list just for a moment do you mean these are purchases made in or for Sorel, or that all these business houses and individuals do business at Sorel?—A. Those are the ones that deal with the government, that is with the Sorel ship yard under Mr. Desbarats.

Q. Those are the parties that deal with the department at Sorel?—A. Yes.

Q. You do not wish to state then that all these business firms or houses carry on business at Sorel?—A. I could not say.

Q. It is a list of those that sell?—A. It is the patronage list at Sorel.

By Hon. Mr. Cassels:

Q. Of merchants who have supplied Sorel with goods?—A. No, your lordship. The Montreal firms do not appear although some of them do, not all.

Q. You cannot tell whether that is a complete list of the purchases made for Sorel?—A. At Sorel.

Q. Have you counted up these?

By Mr. Watson :

Q. 87, the whole thing.—A. 87, I think.

Q. Oh, yes. On the first page 29, the second page 31, and on the third page 27. Does that make 87?—A. Yes

Q. There was no list theretofore?—A. Not previous to 1904.

Q. I think you said before at Ottawa you had a list from 1887 down to 1906?—A. Well, of course, Mr. Watson whereas I have a general knowledge of some of these matters, I cannot make definite statements about things. From observation of the work I have done there I know there were not regular patronage lists kept in the department; they were kept at the agencies. The patronage affairs were managed of my own knowledge from 1887 in Mr. Foster's time right up to the present in the same way.

Q. I see. Then will you make up a list, if you please, so as to be quite authentic, from whom purchases have been made at Montreal so that we will have it accurately? You have not made that up yet?—A. From the patronage lists from 1887 up to the present time?

Q. Yes.

By Hon. Mr. Cassels :

Q. One moment, please, Mrs. Thomas. From what do you compile that list?—A. Your lordship, I did not compile it, and, as I say, Mr. Stumbles is the officer who has been in charge of contract supplies and the patronage list for years.

Q. I know. But you used the term patronage list. Why patronage list?—A. I really do not know at all.

Q. I want to get at what it means. You simply give a list of all the names, as I understand it, from whom goods have been purchased?—A. Well, the names of the firms and merchants who are on the patronage list at Sorel.

Q. How are they put on the patronage list?—A. I am only a junior clerk in the department and would not like to undertake to explain matters of that kind. I would prefer they should be explained by some chief clerk.

Q. You explain it pretty well. I think I am not competent to explain the work of the chief clerk.

Q. What I would like to get at is, were those names communicated by any letter in the department to the office at Sorel at all, the official at Sorel, that so-and-so was to go on the patronage list?—A. Yes, sir.

Q. Now, I would like to see that correspondence.

By Mr. Watson :

Q. That is what is at Ottawa?—A. We can get all that correspondence.

By Hon. Mr. Cassels :

Q. I know. That is the point, how is this patronage list formed. It must be by correspondence. There is nothing on that list to show the character of the goods purchased?—A. Well, at the present time the system of the department which we have with regard to the Quebec patronage list is that we have all the butchers in one list and so on.

Q. I am only referring to the paper you are putting in.

Mr. WATSON.—Then this shows the names and amounts.

By Hon. Mr. Cassels :

Q. Are these all retail dealers?—A. I do not know.

Q. You see what it has to be supplemented by: First, the letters placing them on the patronage list; secondly, are they retail merchants?—A. All the correspondence.

By Mr. Watson :

Q. We will have to get that when we go to Ottawa. Then those amounts, I see, run from \$2 or \$3. I see one here of \$3.75 up to—A. \$12,000.

Q. The largest one here is \$12,000?—A. Yes.

Hon. Mr. CASSELS.—We want to see whether those are retail merchants, what goods they got, and whether they could have been purchased cheaper.

Mr. WATSON.—Yes.

(Sorel patronage list from 1904 to 1908 marked Exhibit 60).

Mr. WATSON.—I want to ask Mr. Merwin a question or two, my lord. I understand he is here.

GEORGE T. MERWIN, sworn.

By Mr. Watson:

Q. Just a few preliminary questions, my lord. I am not going to exhaust the matter with him to-day, if your lordship pleases. Mr. Merwin, is it Merwin or Merwin?—A. Merwin.

Q. You reside here at Montreal?—A. Yes, sir.

Q. You have resided here for a considerable number of years, I believe?—A. Six years, going on seven.

Q. Individually you have had considerable transactions with the Department of Marine and Fisheries?—A. As agent for the companies I represent.

Q. Only as agent?—A. Yes, sir.

Q. Not as an individual?—A. Not as an individual.

Q. Not at all as an individual?—A. No, sir.

Q. Then what companies have you represented?—A. I represented the Safety Car-Heating and Lighting Company.

By Hon. Mr. Cassels:

Q. What company?—A. The Car-Heating and Lighting Company.

By Mr. Watson:

Q. The Safety Car-Heating and Lighting Company?—A. The Safety Car-Heating and Lighting Company?

Q. Where is the head office of that company?—A. No. 2 Rector street, New York, formerly 160 Broadway.

Q. The present address is enough. Who compose that firm?—A. It is a stock company, an incorporated company.

Q. Yes. Who are the chief shareholders in that company?—A. Mr. R. M. Dickson, the president; Mr. D. W. Pye, the vice-president, and Mr. Barber, New York, Mr. Sopher, and the estate of the late president, Mr. A. W. Sopher.

Q. And what Canadians?—A. No Canadians.

Q. Eh?—A. No Canadians.

Q. How do you know?—A. I never heard any mentioned.

Q. You never heard any mentioned?—A. No, sir.

Q. What Canadians hold shares in the company?—A. None that I know of.

Q. None that you know of?—A. None that I know of.

Q. Do you deal on commission for the company?—A. Salary; I did then.

Q. Salary?—A. Yes.

Q. Do you not now?—A. No.

Q. What do you do now?—A. I severed my connections with them last June.

Q. June of this year?—A. Yes, sir.

Q. You were agents for them how long before?—A. Up until then from the time I came to Canada.

Q. What do they sell?—A. Well, lighthouse equipment, buoy equipment, car lighting and heating equipment.

Q. I see. There have been considerable transactions between them and the department?—A. Yes, sir.

Q. Through you?—A. In the buoy lighting business there has.

Q. And you have kept track of those transactions here?—A. No, sir. Track of them all was kept in the general office.

Q. Well, you would receive orders and carry on the correspondence?—A. I received orders and remitted to the New York general office all orders.

Q. But the correspondence was directly with you?—A. Directly with me.

Q. And you have your letter books?—A. No, I have none of them.

Q. Why not?—A. Anything of any importance was always filed in the New York office.

Q. But you have your own letter books?—A. No, I kept carbon copies of anything I did.

Q. You kept carbon copies?—A. They were all filed in the New York office.

Q. How often?—A. Every month we sent them in.

Q. Every month?—A. Every month.

Q. You kept accounts for that company here?—A. No, I kept no accounts.

Q. No accounts?—A. No, sir, I never did.

Q. You received payments for them?—A. Yes, I received payments for them.

Q. I see. And then you transmitted as might be necessary to New York?—A. Yes, I transmitted the money.

Q. To New York?—A. Yes.

Q. And in transmitting you would do that as agent of the company?—A. As agent of the company.

Q. And always by letter?—A. Always by letter.

Q. And for your own protection you would keep those letters?—A. I kept the receipts I got for the money.

And you would keep for your own protection those and your letters and letter books?—A. No, they were always filed with the company in New York.

Q. Not your letters transmitting the money?—A. Everything relative to the business, Mr. Watson, was on file there. At that time, let me explain, we had an office in our works, we had no provision for keeping anything, and the risk of fire was very great, so all records were kept in the New York office.

Q. Then they are at the New York office?—A. Yes, they are all there in the New York office.

Q. These transactions concern you personally?—A. Well, hardly. As an agent of the company, not me personally.

Q. Well, I mean to say the transactions were entered into by you personally altogether, were they not?—A. While acting as agent for the company.

Q. Then you will be able to procure those statements for production here before his lordship, I have no doubt?—A. Well, I cannot say for that now.

Q. Have you asked them?—A. I have written them asking them to do it. I have no reply regarding same.

Q. When did you write them?—A. As soon as I appeared before you in Ottawa.

Q. That is a considerable time ago, in June?—A. Yes. I went away then and have been gone for some time.

Q. But you wrote to New York asking for these?—A. Yes, but I haven't received a reply to that.

Q. That is extraordinary?—A. Yes.

Q. How do you account for it?—A. I don't know whether they are deliberating or want to know why, or what reason they have. I should very much like to have them do it.

Q. And you have had no answer since July last?—A. No, I have not.

Q. Have you had any communication with them about it since?—A. No.

Q. You have never followed it up?—A. No, sir.

Q. Have you seen any one personally?—A. Not any officials.

Q. Who have you seen?—A. I met one of their agents on the street in New York.

Q. Did you speak to him about it?—A. He had nothing to do with it.

Q. Did you speak to him about it?—A. No, I did not.

Q. Did you speak to any one in connection with the company about it?—A. No.

Q. You did not think it important?—A. No, I did not meet any of the parties. I would not take a matter up like that with a clerk.

Q. I rather feel a little surprised that you did not follow up your letter in June last?—A. I did not know when you were going to convene again.

Q. Is that the reason?—A. In June last—it was long before last June.

Q. Was it? Well, it would be in May, perhaps.—A. I was away, I did not get back until the middle of August.

Q. I have no doubt you will be able to get the books and papers?—A. I cannot say, I cannot speak for them now.

Q. What do you think, will you be able to get them?—A. I won't promise.

Q. Why not?—A. I don't know how they feel about it.

Q. Is there any reason except one of feeling?—A. There is absolutely no reason, there is absolutely nothing wrong.

Q. What is the feeling?—A. I don't know that they would like to have anybody delving into their books and accounts.

Q. It is not delving into the books, it is only in connection with this Marine and Fisheries business?—A. I have no doubt they would be willing to give every information they can, but I cannot speak for them.

Q. I see. Will you undertake to write again?—A. I will write.

Q. Immediately?—A. I will write to-morrow morning.

Q. And will you undertake to show us the letter you write and the answer you get?—A. I will.

Q. If you please.—A. I will be only too glad to have the thing thoroughly open and above-board, because I know there is nothing wrong at all.

Q. Well, we will come to that afterwards. Of course, I am not making this the main examination. Then what other company do you represent?—A. Well, I represented for a short time, in 1904 I think it was, the Submarine Signal Company of Boston.

Q. The Submarine Signal Company?—A. I believe that was in 1904 or 1905.

Q. Yes. And who compose that company?—A. That was a stock company in Boston. At that time Mr. Whitney was President of it, Mr. Millet was Vice-President, and there was a Mr. Reynolds was manager.

Q. Well, those are pretty strong well-known names, some of them at all events?—A. Yes.

Q. What interest had you in the company?—A. Nothing other than I was to further their interests here if I could in introducing their apparatus. It was a submarine signal. It came into use in connection with the buoys, and they wanted me to try and devise a scheme whereby they might suspend their bell from these buoys we were selling to the government.

Q. To devise a scheme, I see?—A. Yes, or a method, whichever you may choose to put it; a method.

Q. That is to devise that with the department?—A. No. To devise a method of hanging this submarine bell to the buoy; a mechanical arrangement.

Q. How did you act for them, on commission?—A. No, only on salary.

Q. And you had considerable dealings with the department on their behalf?—A. Well, it didn't amount to very much.

Q. Well, we will see later on what they are. Then you kept a record in your office?—A. No, no records were kept of that at all.

Q. You had your usual correspondence?—A. Correspondence; it was mainly through them; they corresponded a great deal themselves directly with the department.

Q. Where are your letter books showing your correspondence with that company?—A. This was five or six years ago. After I severed my connection with them I returned all correspondence, everything.

Q. You mean to say—A. I sent everything back I had relative to that.

Q. Just wait please. Do you mean to say you would return to them copies of letters that you had previously written to them?—A. Everything.

Q. Just think of that?—A. Yes, I know what you mean.

Q. That is not quite businesslike?—A. Yes, everything appertaining to that business went back to them.

Q. But they would have your original letters?—A. They would have.

Q. Why should you send them your carbon copies of those same letters, tell me?—A. I don't know. I sent them everything I had.

Q. Just consider. That seems unreasonable?—A. I have thought far enough back. I know I sent everything in there.

Q. And the same way with the Safety Car-Heating and Lighting Company, you sent copies of the letters you had previously written?—A. Of the letters previously written, everything.

Q. That seems to me quite extraordinary?—A. Well, I sent everything on file, everything complete. I was severing my connection and I did not want to build a vault at home to carry these things.

Q. I can understand you destroying them, but not your sending them to the company?—A. I think it is better sending to them than destroying; then they have them.

Q. They had them before. Then you received the money and transmitted it to them in the same way?—A. Yes.

Q. Your correspondence would show that and the books would show that?—A. Yes. The Auditor-General always seemed to want to make out cheques in my name instead of the company's.

Q. The cheques were made in your name?—A. Yes.

Q. You did not want it in that way?—A. I did not want it; it was no object of mine.

Q. Then have you asked this company for these accounts and documents?—A. No, that subject has never come up again.

Q. You have never asked them for those?—A. No.

Q. Are you in a position to do so?—A. I don't know.

By Hon. Mr. Cassels:

Q. What is the total volume of their dealings??

By Mr. Watson:

Q. Yes. What is the total volume of their dealings?—A. That is a hard matter for me to say.

Q. About?—A. I don't suppose they would amount to over \$15,000 or \$20,000.

Q. With the Safety Car-Heating Company they amounted to over \$200,000 or \$300,000?—A. Yes, more than that.

Q. Perhaps half a million altogether?—A. I would not care to say that much.

Q. But in the hundreds of thousands with that company?—A. Yes.

Q. And extending over five or six years?—A. Five or six years.

Q. \$20,000 or \$30,000 with this company. Then these transactions being with you personally here are within the scope of this investigation or proceeding by his lordship. Will you be good enough to ask the Submarine Signal Company to send the documents relating to these transactions?—A. I will, and I will show you the letter I write.

Q. And show the correspondence?—A. And show the correspondence.

Q. You have not written so far?—A. No, sir.

Q. What is the name of the next company?—A. Those are the only companies I represented.

Q. The only companies?—A. Yes.

Q. Quite sure?—A. Sure.

Q. Whom else did you represent?—A. I did not represent anybody else.

Q. Well, with whom or from whom else did you have any transactions?—A. You are referring now to F. L. Brooks & Co.?

Q. I am asking a plain question?—A. Those are the only two companies.

Q. What two companies?—A. The Safety Car-Heating and Lighting Company and the Submarine Signal Company.

Q. What about F. L. Brooks?—A. I asked if you were referring to them.

Q. I am asking for whom did you have transactions?—A. I was a member of the firm of F. L. Brooks & Co., for a short while.

Q. I see. A member of the firm of F. L. Brooks & Co., and did that firm have transactions with the department?—A. They did.

Q. Who composed that firm?—A. Mr. F. L. Brooks and myself.

Q. And the transactions with the department by that firm also amounted to hundreds of thousands of dollars, I believe?—A. I cannot say how much. Mr. Brooks transacted most of the business himself.

Q. But very large sums?—A. Well, I won't say, I am not prepared to say. I am not acquainted with the details of that business at all. I cannot tell you.

Q. You were an equal partner?—A. No, not an equal partner.

Q. You had a substantial interest?—A. No, a very small interest.

Q. At all events, you were a partner and interested as such. Where was the head office of that company, that firm?—A. In the Sovereign Bank building.

Q. In Montreal?—A. Yes. He has an office in New York and one in Montreal.

Q. And is that partnership existing still?—A. No. I retired from that some time ago.

Q. When?—A. Four or five months ago.

Q. Oh, just four or five months ago. Practically since this commission issued to his lordship?—A. Well, I retired really a long while ago, but I never took occasion to file it down here.

Q. When did you actually retire, when did your interest cease?—A. My interest ceased in, it was either November or October last that my interest ceased.

Q. And when do you say was the dissolution of partnership made of record, in July last?—A. No, I think it was previous to July.

Q. You are not quite sure?—A. No.

Q. At all events, the early summer of this year?—A. I can find out from my attorney, who did it.

Q. Who is your attorney?—A. Mr. Andrew McMaster.

Q. Then what did you sell to the department, that is, the firm of F. L. Brooks & Co.?—A. Well, they had agencies for the—

Q. What did they sell to the department?—A. They had an agency for some lighthouse apparatus for a French firm and they sold some machinery and other things.

By Hon. Mr. Cassels:

Q. What French firm?—A. Barbier, Bernard & Turenne.

Q. A Paris firm?—A. A Paris firm.

By Mr. Watson:

Q. An agency for any other company?—A. No, not that I know of, no direct agency.

Q. What did the firm of F. L. Brooks & Co. sell to the department?—A. They sold—oh, lighthouse apparatus and some machinery.

Q. Yes. What kind of machinery?—A. I believe it was woodworking machinery, iron machinery, boilers and so forth.

Q. That is, as agents?—A. I believe that is where they—

Q. You did not manufacture?—A. No.

Q. Where did you get the machinery?—A. Brooks purchased, I believe here in Montreal, and some in the United States, I don't know, I am not acquainted with the details of that business.

Q. Not acquainted at all?—A. No.

Q. But you were a partner?—A. To a very small extent

Q. But still a partner. And what else, you stated other things?—A. I said boilers and machinery; that is all I know.

Q. In the first place you said lighthouse apparatus, boilers, machinery and other things. What are the other things?—A. I could not tell you. I know he furnished lots of machinery.

Q. What other things?—A. I couldn't say. I don't know exactly, I couldn't say, I was not acquainted with the details.

Q. Not acquainted. He had those transactions here in Montreal?—A. Here in Montreal and Ottawa.

Q. And he was here a considerable portion of the time?—A. Yes.

Q. From what time to what time?—A. He was here during every month, sometimes for a month.

Q. He has an office here?—A. Yes.

Q. Where is the office?—A. In the Sovereign Bank building.

Q. It is the same company?—A. Yes.

Q. He is still doing business?—A. Yes.

Q. What partner has he now?—A. He has no partner that I know of.

Q. He is here half his time, I understand?—A. Yes.

Q. Perhaps more?—A. No, I don't think more than that.

Q. That has been so for five or six years past?—A. Yes.

Q. Is he a Canadian or an American citizen?—A. I believe Brooks was born in Canada, but he has been in the United States.

Q. Off and on?—A. No, he has been there a good many years. I guess he is an American citizen now.

Q. Then where are the books of the business during the time that you were a member of the firm?—A. Well, they are in his office, I presume.

Q. Here in Montreal?—A. Yes.

Q. Those belong to you as well as to him?—A. I don't know whether they do now or not.

Q. Well, they were your books as well as his, you had an interest?—A. Yes.

Q. Have you produced those? You have been called upon to produce those?—A. I have not brought them. I don't know whether he will allow me. It is up to Mr. Brooks to say.

Q. Why?—A. I have nothing more to do with the firm.

Q. The books are yours as well as his?—A. I have no jurisdiction over them now, I severed my connection with the firm.

Q. He is keeping a different set of books. I am speaking of the firm of which you were a member?—A. I don't know whether he is carrying the same set of books or whether he has written me off the old set and started up a new set.

Q. Is there any reason why those books should not be produced?—A. I do not know of any reason why.

Q. Have you asked him?—A. Yes. I haven't seen him recently.

Q. What did he say?—A. I asked him at the time.

Q. What time?—A. The last time I appeared before you in Ottawa. I wrote to him then and told him what you wanted.

Q. What did he say?—A. He said he would look the matter over and let you know.

Q. That was in May last?—A. Yes.

Q. Have you not heard since?—A. He was to write to you direct.

Q. Whom did he say so to?—A. To me.

Q. You got a letter from him?—A. Yes.

Q. Can you show me the letter you got from him?—A. No, I didn't keep it, I didn't think it was worth while to keep it.

Q. You have got a copy of the letter you wrote to him?—A. No. It was a personal letter. I wrote it in pen and ink.

Q. That is the way letters are generally written in pen and ink.—A. I did not keep any copy of it.

Q. You did not keep any copy?—A. No.

Q. You have a letter-book now?—A. No.

Q. What business are you in now?—A. General agent for the Canada Car Company.

Q. What?—A. General agent for the Canada Car Company.

Q. Where is the company?—A. At Turcot.

Q. Where is the head office?—A. At Turcot.

Q. You do business as general agent?—A. For them.

Q. Are you paid by salary or commission?—A. Salary.

Q. Where are the letter-books you use?—A. I don't use any, carbon copies only.

Q. That is the same thing. Where are the copies of the letters you write?—A. I could not write Mr. Brooks.

Q. I am not asking you about Mr. Brooks at this moment. Where are the copies of the letters you write to ordinary correspondents?—A. They are on file.

Q. Filed where?—A. At Turcot with the Canada Car Company.

Q. How long have you been there?—A. I started in there the 1st of August.

Q. You control that correspondence?—A. What very little I do.

Q. You can produce that, can you?—A. Yes.

Q. Will you do so?—A. Yes.

Q. Then what was the extent of the transactions of F. L. Brooks & Co.? Did you say you do not know?—A. I couldn't tell you.

Q. Did you have anything personal to do with those transactions?—A. No, sir.

Q. Try and think carefully?—A. I am.

Q. You had nothing at all to do with them?—A. No.

Q. Then did he ever refuse to produce these books, Mr. Brooks?—A. He did at the meeting of the Public Accounts Committee some three years ago.

Q. He refused to produce those?—A. Yes.

Q. When matters in connection with this department were being inquired into?—A. Yes, sir.

Q. Why did he refuse to produce them?—A. I don't know.

Q. At that time the partnership was existing?—A. Yes.

Q. Did you, as one of the partners, refuse?—A. I had to refuse, he would not let me.

Q. Does one partner have to do what the other one says?—A. In some businesses.

Q. Then you refused and he refused, that is the position?—A. Yes.

Q. On what ground did you refuse?—A. Because he requested me, he would not give me possession of the books.

Q. On what ground did he refuse?—A. He did not want them, I suppose, to look into his affairs.

Q. With the department?—A. Yes.

Q. I see. He did not want them to investigate his dealings with the department?—A. They wanted to look at his books, as I understand the matter, and he did not care to have them do so.

Q. For what reason?—A. I don't know the reason.

Q. You are in the habit—A. He told me his only reason was that he did not want anybody to see his books, he was not going to make his books public property.

Q. What led him to take that position?—A. I don't know. I suppose business transactions. I don't know that any man cares to do it.

Q. How often did you discuss it with him?—A. Very little, I couldn't tell you how many times.

Q. These books are now in his possession here?—A. To the best of my knowledge.

Q. When did you last see them?—A. Over three months ago, I haven't seen his books for three months.

Q. You saw them three months ago?—A. Yes.

Q. What books were there, the usual account books?—A. The usual account books.

Q. That is a daybook, cashbook, ledger, journal, a proper system of bookkeeping?

—A. Yes.

Q. A full and proper system?—A. I cannot tell you how many.

Q. And letter-books?—A. Letter-books.

Q. Or the carbon system, which was it?—A. I think carbon copies.

Q. But they are all retained, it is a different form of retaining copies, it is the same thing?—A. Yes.

Q. And the bank-books of the firm are there?—A. I presume so.

Q. In what bank was the account of the firm kept?—A. The Sovereign Bank.

Q. And where was your account kept that you had for the Submarine Signal Co.?

—A. The Bank of Montreal. My personal account I kept at the Bank of Montreal.

Q. But I am speaking of the account you kept of the Submarine Company?—A. I kept no accounts for it.

Q. You kept that in your individual account?—A. Whenever I received moneys I remitted them direct.

Q. You kept that in your own account?—A. I deposited the money in my account and sent a draft.

Q. And the same with the Safety Car-Heating and Lighting Company?—A. Yes.

Q. Where was your account kept?—A. In the Bank of Montreal.

Q. Where?—A. Seigneur Branch.

Q. Who is the manager of that branch?—A. Mr. Smith, I think it is.

Q. And you had your bank-book?—A. Yes.

Q. You have it still?—A. Yes.

Q. Will you produce it?—A. I will.

Q. And you have your cheque-books or cheques?—A. I have the last cheque-book. It goes back about a year, I guess.

Q. And you have your cheques before that time?—A. No, I have no old cheques.

Q. Why not?—A. I never keep them.

Q. But they are about your vault?—A. No, I never keep old cheques. After I get them from the bank and the account was checked over I threw them in the waste basket in the bank.

Q. In the bank?—A. Yes, right there in the bank.

Q. That is very summary. I never heard of a customer doing that before.—A. They are of no value.

Q. You didn't even check them over in your own office?—A. I knew what the balance was.

Q. You mean you did not check them over in your office?—A. No, there was not enough of them. I could go over them.

By Hon. Mr. Cassels:

Q. The stubs would show his balance.—A. As long as my bank-book balanced I knew what it was.

By Mr. Watson:

Q. You keep the stubs of your cheques?—A. I have got the present book.

Q. And the stubs?—A. And the stubs are in there.

Q. And the stubs of the earlier books?—A. No.

Q. Why?—A. They are no value to me.

Q. You have those?—A. No, I threw them away.

Q. Where did you throw them away, in the bank?—A. No, in the office in the waste basket.

Q. When did you thrown them away?—A. As fast as the book was used up and the account checked up.

Q. You would throw away the stubs?—A. Yes. What value are they?

Q. Well, I do not know. I never heard of anybody throwing them away.—A. If a man is transacting a large business he might keep them.

Q. You were doing \$100,000 worth of business with the department, you know?

—A. No, the firms I represented were doing that business.

Q. I know, but it was all passing through your hands, through your bank account

—A. I fail to see where the value of keeping those stubs comes in.

Q. You mean to say you did not keep the stubs of the cheque-books?—A. No, I did not.

Q. How do you know, have you looked to find out?—A. I know. I never made a practice of keeping them. That is why I know.

Q. Then when did you compare the balance in the bank with your own cashbook, in the bank or in your office?—A. I never kept any cashbook.

Q. What do you call it then?—A. I never kept any account of that kind, it was not necessary.

Q. Your receipts amounted to \$100,000 a year, they passed through your hands?

—A. But my dear man accounts were all kept at the offices of the company. There is where I could refer to if anything was wrong. Whenever I was paid an account—

Q. Listen, Mr. Merwin. Those moneys were paid you personally?—A. Yes.

Q. And so received?—A. Yes.

Q. And afterwards accounted for by you?—A. Yes.

Q. Amounting to hundreds of thousands of dollars each year?—A. Yes.

Q. Do you mean to say you kept no book containing any record of those transactions?—A. No, I did not. They were not transactions of mine, they belonged to the company.

Q. Therefore the greater necessity of keeping a record?—A. Not necessarily. I knew them well enough to know they would keep their records straight, and I was under bond to do it.

Q. I see. Being under bonds you could afford to destroy?—A. I beg your pardon.

Q. Being under bonds, would that be a reason for more readily destroying the vouchers?—A. No, not necessarily.

Q. Then what books have you apart from your bank-books?—A. None at all.

Q. None at all?—A. No. I never had any.

Q. You are willing, I understand, that your banker should produce a copy of our accounts?—A. Yes.

Q. And your evidence, your statements now may be taken as authority to your banker to produce copies of your accounts for the last five years?—A. Yes.

Q. And it may be so treated. Thank you. Will you be good enough to produce to my learned friend and to me, strictly and solely for use on this commission, not otherwise, and to show to his lordship and not to any one else, than his lordship and ourselves in the meantime, your bank-book and cheque-book such as you have?—A. Yes.

Q. To-morrow morning?—A. Yes.

Q. At half past ten o'clock?—A. I will bring them down.

By Hon. Mr. Cassels:

Q. What was the nature of your partnership with Mr. Brooks, Mr. Merwin?—A. I had \$2,500 that I loaned to him, and he paid me 6 per cent.

Q. Had you any interest in the profits?—A. No, sir; that is the only interest I had in the business.

Q. Simply a loan?—A. I loaned him \$2,500, and he paid me 6 per cent.

Q. So you had no interest whatever in the company, the business?—A. No, not as partner.

Q. Then when you dissolved—— A. He gave me \$2,500 and the interest due on it, and that cleared me up.

Q. That settled the whole thing?—A. Settled the whole thing.

Q. What do you call this lighthouse apparatus that you sell?—A. Why, it is an apparatus for lighthouses, an optical apparatus for lighthouses.

Q. Glass work?—A. Glass work and the revolving apparatus, mechanism that sits on top of the tower and diffuses the light.

Q. Then you furnished that from the New York house and the Paris house?—A. Mr. Brooks furnished the stuff from the Paris house.

Q. Have you any idea of the value?—A. It runs into very big money. The first order for apparatus ran on an average to \$22,000 or \$23,000.

Q. That is the lighthouse apparatus?—A. For lighthouse apparatus.

Q. Then the revolving mechanism?—A. That is included in the apparatus, that is the lens, light and the revolving apparatus and the mechanism all complete.

Q. The mechanism as I understand, is a clockwork series of cogs?—A. Yes. That is included, and the whole apparatus revolves on mercury.

Q. Everything complete so as to make the lighthouse operate costs from \$22,000 to \$28,000?—A. \$22,000 to \$28,000 for the first order. Then it goes on down to \$18,000, \$15,000 and all the way down to \$6,000 or \$7,000, according to the size.

Q. What is the idea of the clockwork apparatus?—A. It revolves the light and makes it characteristic. It revolves a screen, not really the light, but a screen around.

Q. What makes the cogs work?—A. There are cogs around, and the drum with the weight winds this revolving mechanism.

Q. What is gained by having a clock that only runs for four hours, like the one I saw?—A. No, they run for 24 hours.

Q. Is there any object or anything in having them run for such a short time?—A. Where was the apparatus?

Q. Matane.—A. Matane light?

Q. Yes.—A. Then the man must have shortened the apparatus in some way.

Q. No, there was no space for the pendulum.—A. Then he had to give a four hour wind up, there could be no room to wind up for a longer time. On most of that apparatus there is an alarm bell that sounds when the mechanism is nearly run down.

Q. Yes, I saw that.—A. That could be done very easily by shortening up the wire or plugging it.

Q. There is nothing gained, you could run it for the whole 24 hours?—A. Yes.

Mr. WATSON.—Then you have articles of partnership between you and Brooks.

By Hon. Mr. Cassels:

Q. It does not seem to be a partnership at all according to his explanation.—A. No, it was a verbal agreement between him and me.

By Mr. Watson:

Q. A verbal agreement?—A. Yes.

Q. You said to me half a dozen times that you were a partner with a small interest?—A. Yes, I did. I just told his lordship the only interest I had in the matter was that I loaned Mr. Brooks \$2,500 and he paid me 6 per cent on it.

Q. That has nothing to do with a partnership, man?—A. We called it a partnership.

Q. You were a creditor of Mr. Brooks?—A. He has paid it, I am not now.

Q. That would make you merely a creditor of Brooks. What would that have to do with a joint transaction, what would that have to do with the registration of a partnership?—A. We called it a partnership and registered it as a fact.

Q. It seems rather singular, does it not?—A. It did not to me.

Q. Do you swear now you were not a partner?—A. To that extent a partner.

Q. That does not make you a partner at all. Had you any interest in the profits?—A. No.

Q. Did you have any interest in the profits?—A. No, I did not.

Q. You were merely a creditor of his to the amount of \$2,500?—A. Yes, if you choose to put it that way.

Q. He was perfectly good for the amount?—A. Oh, my, yes.

Q. A very wealthy man, supposed to be?—A. No, he is not a very wealthy man.

Q. Well, a man of very large transactions anyway. We will follow it up a little later on. Mr. Brooks was subpoenaed here on the 4th instant. You saw him that day, did you?—A. No, I did not.

Q. The same day you were subpœnaed, you were served with a subpœna?—A. I don't know when my subpœna was left, I have been away, I just got back this morning.

Q. You were served with a subpœna?

Mr. GODFREY.—Not personally.

By Mr. Watson:

(After reading affidavit of service on subpœna.) I see. Then at all events he was here during this last week?—A. I could not say.

Q. Did you see him?—A. No, I did not. I went away last Tuesday and arrived back on Sunday morning.

Q. Have you had any communication from him during the last week?—A. No.

Q. Does he intend to appear?—A. I could not say.

Q. Have there been transactions between the department and him since last May?—A. Since last May? I could not say about that. I had very little interest in the business then, I had none then, I had no knowledge of the details. He must tell you that himself. I cannot say.

Q. Have there been transactions between the department and the firm of F. L. Brooks & Co., since the inquiries before the Public Accounts Committee?—A. Have there been since?

Q. Yes.—A. He might—there must have been.

Q. And since the refusal to produce the books?—A. I believe there has.

Q. Your business transactions and relations have continued with the department?—A. Mr. Brooks can tell you. I cannot tell you, possibly.

Q. I suppose you have no doubt Mr. Brooks will be here?—A. I cannot say anything about it. I don't doubt but what he will.

Q. What?—A. I don't doubt but what he will. I know nothing about it, Mr. Watson. I would like to see him come here very much.

Q. Can you assist in procuring his attendance?—A. I can solicit his attendance. I will try and get him here. I should like very much to have him attend because it will take a load off my shoulders.

Q. Will you undertake to send a telegram asking him to come?—A. Yes.

Hon. Mr. CASSELS—You had better pay the expenses, Mr. Watson.

WITNESS.—I will pay the expenses.

By Mr. Watson:

Q. We will reimburse you that. Tell him that he is particularly desired here?—A. I will.

Q. That will do for the present. I am sorry it has been necessary to keep you in attendance. I will have to take you over considerable ground, Mr. Merwin, later on.—A. To-morrow morning?

Q. If you please, at half past ten o'clock, with the bankbook and so on.

CHARLES C. BALLANTYNE, SWORN.

By Mr. Watson:

Q. Mr. Ballantyne, you are of the firm of Sherwin-Williams & Co.?—A. I am, sir.

Q. A member of that firm?—A. Yes.

Q. Manager of it?—A. I am Managing Director of their Canadian business.

Q. Is that a foreign company?—A. Well, we are a Canadian Company, we are operating under a Canadian charter.

Q. But the head office of the company, the parent company, is where?—A. Cleveland, Ohio.

Q. My learned friend tells me that you are a Harbour Commissioner, or Chairman of that Board?—A. I am one of the Harbour Commissioners.

Q. What is the business of the company?—A. We are manufacturers of paints and varnishes.

Q. Paints and varnishes?—A. Yes, sir.

Q. That and the Harbour Commission are your exclusive duties?—A. I beg your pardon.

Q. Are you engaged in any other business in connection with the department? I do not want any except in so far as the department is concerned?—A. No.

Q. Then there have been transactions between you and the department, you representing the Sherwin Williams Company?—A. Yes.

Q. Going on for years?—A. Oh, yes, I think for about five or six years.

Q. And about what is the amount of your transactions annually?—A. 1904, \$3,840.40; 1905, \$7,383.28; 1906, \$3,740.15; 1907, \$1,482.90. Making a total of \$16,-446.73.

Q. That is for the purchase of paints and oils?—A. Marine paints only.

Q. Any difference between marine paint and ordinary paint?—A. Yes, sir; marine paints have to be made specially for that purpose.

Q. I see. You paint the sea, not the town?—A. We paint whatever we can get hold of to paint.

Q. Then with whom have your transactions taken place, what individual officials?—A. We got our orders from the Department of Marine and Fisheries.

Q. Yes.—A. The usual official orders.

Q. Through Ottawa or Sorel?—A. Ottawa. We got a few orders from Sorel.

Q. I see. Chiefly through Ottawa?—A. Chiefly through Ottawa.

Q. From whom there?—A. They were signed, as far as I recollect, by the deputy minister, F. Gourdeau.

Q. The deputy minister?—A. Yes.

Q. Do you sell retail?—A. No.

Q. Do you sell by retail at all?—A. No.

Q. Exclusively wholesale?—A. Exclusively.

Q. Were there any public advertisements for these supplies, do you know?—A. I am not in a position to say. They generally sent us a list of what they wanted and asked us to tender.

Q. Asked you to tender?—A. Yes.

Q. Do you know whether there was competition?—A. Oh, yes, lots of it.

Q. In respect to each particular order or tender?—A. Oh, yes.

Q. You know there was?—A. Oh, yes.

Q. Did you always get the order?—A. Oh, no. Sometimes we got them. Sometimes we did not.

Q. And at what prices did you sell, wholesale or retail?—A. We have not any retail prices, so I gave them the best wholesale prices I could.

Q. What more did you get from them being a department of the government than from other purchasers?—A. No more.

Q. Eh?—A. No more from them.

Q. I think, as I have said before, it is deemed ordinary and usual to get more from the government, in the same way that people are supposed to be authorized to cheat the customs?—A. Well, it has never been the experience of my firm to be able to get any more.

Q. You mean to say you have not?—A. No.

Q. Then can you make an accurate comparison in the selling prices to this department, and to other purchasers?—A. Most of the paints that were supplied them were specially made for them.

Q. Yes.—A. So that no other concerns that I know of bought paints like they bought. For instance, for buoys they buy a lot of paint only the government would require.

Q. So it is not practicable to make an exact comparison from what you say?—A. No.

Q. Did you sell to any one else?—A. Buoy paint, no.

Q. That would enable you, if you were so disposed perhaps, to exact an extra price, would it not?—A. No, because they can buy buoy paint from any other paint manufacturer just as well as from the Sherwin Williams Company.

Q. I see. Then have you any reason to think you got more than proper prices?—A. No.

Q. Have you ever heard of such things as commissions in the way of sales?—A. I have heard in a general way; I have never seen any evidence of it.

Q. Any instances of such in your communications or transactions with the department?—A. None whatever.

Q. Any intimation of it?—A. Not the slightest.

Q. Anything that bears upon irregular courses or irregularities?—A. No.

Q. Eh?—A. No. All our business—and I have handled it all personally—has been in the regular business way. I never saw any sign of anything, and it was never even hinted at.

Mr. WATSON.—I do not know there is any reason for asking this gentleman any more critically than I have, unless your lordship can suggest anything else?

Hon. Mr. CASSELS.—No.

Mr. WATSON.—Thank you. Mr. Robb is here. I want to ask you one or two questions, Mr. Robb. You were asked to prepare one or two statements.

THOMAS ROBB, recalled.

By Mr. Watson:

Q. Mr. Robb, you are already sworn?—A. Yes.

Q. When you were in the witness box last, having regard to the report of the Civil Service Commissioners as to the uselessness of a considerable part of the expenditure, you were asked to prepare some statements?—A. Yes, a statement.

Q. One statement that you were asked to prepare, having application as I have mentioned, was showing the estimated value of hulls and the cost of insurance on same for 1900 and also for 1907?—A. Yes.

Q. Have you prepared such a statement?—A. I have prepared it (producing).

Q. Is this it?—A. Yes, that is it.

Q. And this shows—what is the first item, 600,000 tons?—A. 600,000 tons. That is the tonnage of the vessels engaged in the St. Lawrence trade. Taking and making one voyage for one year there is about 600,000 tons engaged in the St. Lawrence trade.

By Hon. Mr. Cassels:

Q. That is the—A. Tonnage of the different lines.

By Mr. Watson:

Q. Why do you put that at \$12 per ton?—A. £12. That is the rate of the different adjusters in England, the average rate on cargo and passenger vessels after lumping the tons. That is like \$60 a ton.

By Hon. Mr. Cassels:

Q. On the year's insurance?—A. Yes.

By Mr. Watson:

Q. Then you have for 1900 the rate of insurance, £8 per £100?—A. That is the rate current in that year, £8 per £100. I may say the hulls are all covered in England, so I have taken English figures. And in 1907 the rate of insurance—

Q. Well now, wait. For 1900 then, having regard to that rate of insurance, the amount would be £576,000?—A. Yes.

By Hon. Mr. Cassels:

Q. What year was the £12?—A. That was 1900, but this is an average rate, your lordship. One line would be £4, another £6, another £12, maybe one £14, but that £8 is the average rate for 1900.

Q. You are showing now how the £12 is made up?—A. Yes.

By Mr. Watson:

Q. The average of £12 for £100 would make the insurance \$576,000?—A. On the six hundred thousand tonnage for one year.

Q. And for 1907 the rate is £6 per £100?—A. Yes.

Q. Making £432,000, or a saving for 1907 as against 1900 of £144,000?—A. Yes.

Q. Or \$696,000?—A. Yes.

By Hon. Mr. Cassels:

Q. What is the tonnage, Mr. Robb?—A. I am taking the same tonnage for the two years. It was less, but of course I could get no tonnage for 1900. I went to the customs your lordship and each voyage—supposing a ship makes 10 voyages the tonnage runs into millions because they add one voyage after another; but I am taking the vessels for one voyage for one year, and that is how I get at that 600,000 tons, that is about the tonnage employed in the St. Lawrence trade.

Q. Does it make a difference in the rate, in the quantity of insurance there, suppose you get five times the number of vessels coming up the St. Lawrence, would that have the effect of reducing the insurance?—A. No, no effect.

By Mr. Watson:

Q. Then, as a matter of fact, with regard to this expenditure, the saving for insurance for 1907 as compared with 1900 is \$696,000?—A. Yes, I think that is a fair estimate, that is on the tonnage of the vessels.

By Hon. Mr. Cassels:

Q. Yes; but I do not understand, Mr. Watson. The saving in insurance may have arisen from other sources, such as extra competition.

By Mr. Watson:

Q. What about that? I thought that was covered the other day.—A. I think that was pretty well covered the other day.

By Hon. Mr. Cassels:

Q. Were there other elements?—A. I think the principal cause of the reduction is owing to the improvements in the different aids to navigation of the St. Lawrence.

By Mr. Watson:

Q. Will you say it is not attributable to greater competition?—A. No. There is only one year you could take when the competition of underwriters reduced the rate, and I think I gave that the other day.

Q. What year was that?—A. 1905. The competition of the underwriters that year reduced the rate to 37.

By Hon. Mr. Cassels:

Q. To what?—A. On provisions. There was keen competition—I am speaking of provisions now—that was the only year. Your lordship, to make it clearer to you—

By Mr. Watson:

Q. Yes.—A. If you take the rates on a vessel to New York, take the Allan line and the Cunard line, two first-class lines, the Cunard line trading to Boston and New York get a rate of 45 shillings per cent; the Allan line trading to Canada and to the same places in America have to pay 90 shillings, double the rate.

By Hon. Mr. Cassels:

Q. At the present time?—A. These are two first-class lines.

Q. Go back to 1900 and take those two lines. What was the difference then?—A. I have not got that, but according to this record that was in these shipping entries I put in the other day, the insurance rates on vessels to the United States was from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent and in some exceptional cases equalled 5 per cent, making an average of 4 per cent; that is the United States. Now, I give you Montreal. The rate on the hulls of ocean steamers running to Montreal for, say six months, and the Atlantic ports of the United States for the remaining part of the year is from 8 to 10 per cent and in some exceptional cases even 11 per cent; that was in 1900, sir.

Q. What was the proportion of difference between the St. Lawrence and the other rate?—A. The rate to the United States ports is $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent, that is about half, still about the same your lordship, but the rates for both ports are reduced.

Q. What I want to get at is, you say the improved navigation has had the effect of reducing the insurance?—A. Yes.

Q. Now, suppose we say the improved navigation dated from 1900?—A. Yes.

Q. You know what the proportion is in 1907 as between New York and Boston and Montreal?—A. Yes.

Q. I would like to get at what the proportion was before these improvements. It would appear to be the same?—A. That is the proportion between New York?

Q. New York and Boston?—A. Of course, there is still greater risk.

Q. I know. But what I want to get at is this. There may be all kinds of causes entering into the reduction of the rate of insurance, and it is all very easy to say it is all attributable to one thing, but there may be a great many other causes. What I want to get at with accuracy is a comparison in 1900, before these improvements, between Quebec and Montreal as between Boston and New York, and how far does that comparison show a gain to the St. Lawrence?

Mr. WATSON.—Can you prepare a list?—A. Yes.

By Hon. Mr. Cassels:

Q. You say it is about the same?—A. I see exactly what your lordship wants, but of course I am taking just the rates from 1900..

Q. Yes. As I understand it improvements have taken place at Boston and New York to a certain extent, but not appreciably, it does not affect the insurance. I would have thought the proportion of the rate of insurance as between Montreal and Boston and New York should have gone down by virtue of these improvements, if they are what they are said to be. I would like to see the difference. Perhaps that can be easily got at?—A. Of course, I might explain to your lordship in connection with the previous one, adverting to the rates here in 1900, each company had a different rate for provisions.

Q. I understand that?—A. Each company had a rate, so I have had to average these.

Q. What I would like to get at is this: Has the rate on the St. Lawrence been reduced since 1900 from that to Boston and New York, the proportion?—A. The proportion.

By Mr. Watson:

Q. You can find that out?—A. Yes. You want Boston and New York?

Hon. Mr. CASSELS.—And Montreal and Quebec, a comparison.

By Mr. Watson:

Q. Then you were asked also to prepare a statement of exports from the port of Montreal?—A. Yes.

Q. From the year 1900 to 1907 showing the mean rate of insurance during that period and the amount of insurance paid. Have you got that?—A. Yes, I produce that.

Q. And that shows the amount of insurance, the value of the merchandise exported, the amount of insurance paid, the difference in rates and the amount saved each year?—A. Yes.

Q. Is that statement accurate?—A. Yes, I believe so.

Q. According to that in 1901 by reason of the reduction of the rate the amount saved was \$118,000; and in 1907 by reason of the reduction the amount saved was \$459,000; and the total saved, as you have it, between those periods, 1901 and 1907, is \$2,750,000?—A. Yes.

Q. Is that correct, do you know?—A. I believe so. It is fair.

(Statement of value of hulls and cost of insurance on same for 1900 and 1907 marked Exhibit 61.)

(Statement of rate of insurance on exports marked Exhibit 62.)

Q. To what is that attributable?—A. As I said before, to the improvements in the different aids to navigation.

Q. What other statement did you prepare?—A. I prepared a statement before.

Q. Oh, yes. You were asked by his lordship the difference in the water routes. That came from his lordship particularly?—A. Yes.

Q. What have you got there, that is the total distance of the water route, the Canadian and the United States?—A. The shortest distance.

(Statement of water routes marked Exhibit 63.)

Q. Which is the shortest route?—A. The Canadian.

Q. But between what points?—A. I have taken Fort William, Duluth, Milwaukee and Chicago.

Q. And what other points?—A. And Liverpool.

Q. Between Liverpool and those points?—A. Yes.

Q. Which do you find the shortest?—A. 452 miles in favour of the Canadian route.

Q. Well, what have the improvements, if anything, to do with that matter?—A. Well, only recently we have had considerable produce coming from these different parts, and we put that down to the cheapening of the rate of insurance and other matters.

Q. Well, before the deepening of the channels was it practicable to carry over these routes to this extent of mileage?—A. Yes, but not with the same tonnage vessels, smaller vessels.

Q. I see. So as between Liverpool and Fort William and the other places, Duluth, Milwaukee and Chicago, the difference is in favour of Fort William to the extent of 452 miles?—A. Yes, that is right.

Q. You do not compare Montreal?—A. No. I think I give the distance to Montreal in the first one.

Q. Yes, so you do.—A. I will prepare that for your lordship.

By Hon. Mr. Cassels:

Q. You understand?—A. Yes, you want to show the proportionate reduction of rates as between Montreal and Quebec and Boston and New York. I will have to take a day or two to get it.

Q. Yes. It seems to me that all kinds of other considerations may enter into it.—A. I don't think so. If you heard some of the old mariners speaking of it you would not think so. If you care to hear any of them we would be very pleased to have them in attendance.

Q. I have no doubt of that.

Mr. WATSON.—That will do, thank you.

Mr. WALLBERG, recalled.

By Mr. Perron:

Q. You have already been sworn at Ottawa?—A. Yes.

Q. You were then asked as to the cost of the towers, the concrete towers for light-houses?—A. Yes, sir.

Q. You gave the figures?—A. Yes, sir.

Q. For each of those?—A. Yes, sir.

By Mr. Watson:

Q. What are those figures?

By Mr. Perron:

Q. Do you remember those figures at present?—A. For Little Hope tower——

By Mr. Watson:

Q. Are you able to stay over until the morning?

By Hon. Mr. Cassels:

Q. I have got those figures down already. Cape Race, \$4,800; Little Metis, \$3,900; Matane, \$3,600; Cape Magdalen, \$3,300; Little Hope, \$4,950, with additions, \$7,250; Heath Point, \$4,950.—A. That is correct.

By Mr. Perron:

Q. Now, this is only for the concrete?—A. For the concrete towers.

Q. You have no means of knowing what is the total cost of each of these light-houses?—A. No, sir, not beyond that.

Q. Well, now, you did not make you said at the sitting at which you were heard—you did not do any other business with the department outside of these towers?—A. That is all the business.

Q. What I want to know now, Mr. Wallberg is, what were your profits on these jobs. I would like to know if you do not object to saying what they were?—A. Well, on the Little Hope tower the contract price was \$7,250, and the total cost of labour and materials was \$5,979.01.

Q. Leaving in your favour as gross profit?—A. Leaving as gross profit—well, I have added for office and general expenses 10 per cent, which amounts to \$597.90—leaving a net profit of \$673.09.

Q. That would be about 11 per cent?—A. About 9 per cent.

Q. Nine per cent. Take the other one, give us the same figures, please

By Mr. Watson:

Q. You are vouching for the accuracy of these?—A. I am vouching.

By Mr. Perron:

Q. Ten per cent for office expenses, is that not a little high?—A. It is not high. There are draughting and engineering expenses and a good deal of travelling and supervision.

Q. You mean by 10 per cent for office and general expenses that is on account of having the plans prepared, supervising the work, engineer's expenses and so on?

MR. WATSON.—We all know 10 per cent is not an excessive profit.

MR. PERRON.—I mean his office expenses.

By Hon. Mr. Cassels:

Q. Offices expenses include draughting and everything?—A. That covers everything but labour materials.

By Mr. Perron:

Q. Well, we will take the other.—A. Cape Race contract. Price \$4,800. My labour plus materials was \$3,672.90 office and general expenses, \$367.29. Net profit, \$759.81.

By Mr. Watson:

Q. That is a little larger than the other?—A. A little larger. That is about nearly 15 per cent.

By Mr. Perron:

Q. Yes. The next one, please?—A. Now the Heath Point lighthouse is not completed, so I cannot give the figures on that, but it looks as if they are about the same as Little Hope. The other three, Metis, Matane and Cape Magdalen were obtained in public competition after advertisements.

Q. What are your profits?

By Mr. Watson:

Q. Let us see, how much they were where there was competition?—A. The profits were larger.

Q. Oh.—A. Little Metis, contract price, \$3,900; cost of labour plus material, \$2,560.33; office and general expenses, \$256.03; and the net profit, \$1,083.64. That is about 25 per cent.

By Mr. Perron:

Q. This was given after tenders being asked for?—A. In competition. Then Matane contract, price \$3,600; cost of labour plus materials was \$2,370.25; office and general expenses, \$237.02; net profit, \$992.73; that is about 28 per cent.

Q. Well, now, Mr. Wallberg—

By Mr. Watson:

Q. Is there another one?—A. Yes.

By Mr. Perron:

Q. Let us have the last one, Cape Magdalen?—A. Contract price, \$3,300; cost of labour plus material, \$1,473.47; office and general expenses, \$147.34; net profit, \$1,679.19.

Q. Making 20 per cent?—A. Roughly 50 per cent; and the reason for that running up high was we found all the concrete forms and other appliances were shifted over from the others and not charged against this tower, which accounts for the increased percentage.

By Mr. Watson:

Q. You say that is the result of the last three where there were public tenders?—A. The last three, and the profits are considerably higher.

Q. You must have been the highest tenderer?—A. We were the lowest. That came out in testimony in Ottawa.

By Mr. Perron:

Q. Now there is another firm dealing with the government which is called the Steel Concrete Company. I understand you are interested in this firm?—A. The Steel Concrete Company? I am interested in that as President, and the Steel Concrete Company did all this business. I am here representing them; I did not do any business personally.

Q. I want this point clear. We have E. A. Wallberg dealing with the department and the Steel Concrete Company. I want to know who is E. A. Wallberg & Company?—A. There is no 'and company'.

Q. E. A. Wallberg alone?—A. Just myself. There are no dealings with the department with me personally.

Q. We find reports of Wallberg?—A. That is simply incorrect.

Q. You have seen the Commissioners' Report and you know there are references there made to E. A. Wallberg as having constructed some towers for the government and I also find the Steel Concrete Company mentioned. I want to know where you

and?—A. The report is incorrect. I have personally had no dealings whatever with the department. It is all the Steel Concrete Company, and should have been so printed.

Q. So any reference made in this report of the Civil Service Commissioners to A. Wallberg should be to the Steel Concrete Company?—A. Yes.

Q. Now, who is the Steel Concrete Company?—A. I am the largest shareholder.

Q. Is it an incorporated company?—A. Yes.

Q. Under a Dominion Charter?—A. Under a Dominion Charter.

Q. Who are they?—A. It is myself and Mr. Warren.

Q. Who is Mr. Warren?—A. Mr. Warren is one of my assistant engineers; and Mr. H. J. Biggis.

Q. Who is he?—A. He is one of my accountants; and Mr. W. F. Biggis, one of my superintendents, and Mr. H. J. Fisher, who is an attorney.

Q. Then the Steel Concrete Company is E. A. Wallberg, practically speaking?—A. It virtually is.

By Mr. Watson :

Q. Your employees are interested, including your attorney?—A. Yes.

Q. You are very considerate to the profession.

By Mr. Perron :

Q. Well then, you do not make any mistake there, there were no other contracts made by you with the department under the name of Wallberg, whether Wallberg or the Steel Concrete Company, the only work done was these towers?—A. Yes.

Q. You are perfectly sure?—A. Perfectly sure.

Q. And any references apply to the Steel Concrete Company?—A. Yes.

By Mr. Watson :

Q. Just a word before you go. I think you said before your transactions for the most part were with B. H. Fraser?—A. Well, my transactions were altogether with Colonel Anderson, except when he referred me in connection with details on our plans to Mr. B. H. Fraser. He seems to have charge of the drafting room.

Q. Did you come in contact with J. F. Fraser?—A. Not at all.

Q. With B. H. Fraser and Colonel Anderson?—A. Yes.

Q. B. H. Fraser was with you a great deal?—A. You mean in the department that I saw him most?

Q. Yes, and outside?—A. No.

Q. What commission or advantages did he get from time to time?—A. Nothing whatever.

Q. Eh?—A. Nothing whatever. B. H. Fraser was never with me outside—that I can remember.

Q. Did he ever claim any personal benefits or commissions or gains?—A. Absolutely nothing.

Q. Eh?—A. He had nothing to do.

Q. Any perquisites in the matter, expenses or otherwise?—A. Not a cent in any shape, nothing of that kind.

Q. Has any one connected with the department, directly or indirectly, high or low, any interest in your company?—A. Not in any way at all.

Q. Or the profits or gains?—A. No.

Hon. Mr. CASSELS.—Mr. Wallberg, in estimating the cost of those towers you say one was \$3,600. As far as the Marine Department is concerned, they also have to add in the cost of transport of material?—A. Yes, sir, they do, but this went on their regular trips with their steamers, they never made any special trips.

Q. Yes; but still it would be?—A. Yes.

Q. What was the necessity of taking stone from Quebec to Matane and Metis, why not get stone there?—A. This is crushed stone, it must go through a crusher, and it would cost a good deal of money to transport the machinery, the crushing plant, which is a very heavy machine and engine.

Q. That was to save the cost of transporting the crusher and machinery?—A. Yes.

Q. That was the only object?—A. There was plenty of rock there otherwise.

Q. I went through one of them this summer.—A. Oh, yes. Is that all that will be wanted?

Mr. PERRON.—Yes, that is all.

Mr. WATSON.—Does your lordship think with us that it might be well to make an examination with regard to some of the larger accounts that appear upon this Sorel list? Of course, as I mentioned during the time of the examination, these items run from \$3.75 up to \$12,000. I may say to your lordship that so far we have not been able in the ordinary course of investigation in the department or outside of the department to get any material which carries to the result of any irregularity or excessive prices. At the same time it may be disclosed, and it is just a question how far your lordship will think it wise and prudent now to go critically into an oral examination under oath of some of these parties.

Hon. Mr. CASSELS.—Well, what strikes me at the present time is this: Evidence may dissipate it or it may not, but if you start with the evidence of Colonel Gourdeau and Mr. Doutre, as I mentioned this morning, they state that by purchasing from these retail dealers instead of purchasing from wholesale dealers there is a loss to the country of \$50,000 to \$100,000. Well now, supposing the finding is that that is so, could you argue that it is correct, or would you say it is a lack of conscience in spending \$50,000 of money?

Mr. WATSON.—Well, of course if there is an excessive expenditure of \$50,000—

Hon. Mr. CASSELS.—Supposing you take Colonel Gourdeau's statement and Mr. Doutre's that the country could have been saved from \$50,000 to \$100,000 had the government gone to the wholesale people instead of the retail people. Now, apparently so far in Montreal they went to the wholesale people and got wholesale prices. Well, is not that one of the main subjects of the investigation?

Mr. WATSON.—Oh, yes. The only thing I should think we would distinguish in this would be wholesale and retail, and I think we will get some information as to the retail men.

Hon. Mr. CASSELS.—It seems to me we should ascertain the retail prices and the wholesale prices.

Mr. WATSON.—Of course, of these large sales the largest one here is \$12,000, but I understand these large ones are wholesale. It may, however, turn out that some of these are retail.

Hon. Mr. CASSELS.—Perhaps Colonel Gourdeau could point out where the \$100,000 was lost.

Mr. PERRON.—We should have a few of them at any rate.

Hon. Mr. CASSELS.—You see, the Minister, Mr. Brodeur, has recognized now that that was a wrong method of doing business by appointing Mr. Doutre. Mr. Doutre's statement is that there might have been a saving of \$50,000. Well, that \$50,000 should never have been spent.

Mr. PERRON.—It strikes me, if it please your lordship, we should have a few of these anyway. I may state to your lordship I have no special reason to doubt this is not right, but it seems to me there are a few of the accounts that should be brought up.

Hon. Mr. CASSELS.—I am here to get to the bottom of it as far as I can.

Mr. WATSON.—Then, we will have some of the important ones here, my lord.

Mr. PERRON.—There are some who sold for large amounts. They are half manufacturers and half dealers. I should like to know what kind of business they are doing.

Hon. Mr. CASSELS.—Many considerations enter into it, election policy, for example. I want to see what the facts are.

Mr. PERRON.—We will do our utmost.

Mr. WATSON.—Half-past ten o'clock to-morrow morning, my lord?

Hon. Mr. CASSELS.—Very well.

Adjourned accordingly.

Commission resumed at Montreal, September 9th, 1908, at 10.30 a.m.

U. P. BOUCHER, recalled.

By Mr. Watson:

Q. You are already sworn, Mr. Boucher?—A. Yes, sir.

Q. Mr. Boucher, you were good enough to say yesterday that you would produce your books of personal accounts, your bank-books and so on—A. Yes, sir. Of course, I would not like it to be a public thing, but for the court and the lawyers I am ready to produce what I have got. Of course, this only goes three months back. As I told you, I don't keep them after I have checked my bank-book with the stubs.

Q. The bank-book which you produce commences April the 13th, 1904?—A. Yes, sir.

Q. And it runs on up to the present time?—A. Up to date, August the 28th last.

Q. The 22nd of August. Would you mind telling me what your salary or remuneration is in your office?—A. \$1,800.

Q. \$1,800 a year?—A. Yes, sir.

Q. And you have been in the position you are in since some time in 1904, I think you said?—A. I said three years, but I mean 1903.

Q. 1903?—A. Yes, sir.

Q. September, 1903?—A. I think I received my nomination in February.

Q. And you have been here continuously from that time on?—A. Yes, sir.

Q. Have you had an assistant?—A. Yes, sir; Mr. Chatigny, who is present here.

Q. Yes.—A. And I have had an assistant in the office as agent, Mr. Lebel.

Q. Mr. Chatigny and Mr. Lebel?—A. Yes. Mr. Chatigny is assistant buoy engineer on the river. Mr. Lebel is assistant agent and accountant.

Q. Any one else?—A. We had a typewriter and a messenger.

Q. That is all?—A. That is all.

Q. Now then, what have you of record to show what these debits and credits represent, the debits and credits that are in this bank book?—A. As agent.

Q. No. What books and accounts have you to show what they represent?—A. I have none. I gave all by cheques and the bank gave me back my cheques. I have checked them with this, and after I have checked them, as you see, I had no more use for the cheques.

Q. I don't see. That is what you say?—A. Yes, sir.

Q. And how often did you say, or when did you destroy them?—A. Oh, every month or two.

Q. Are you sure?—A. Sure. I haven't received the cheques of last month yet.'

Q. Last month?—A. That is, of August.

Q. Where did you usually keep them after you got them?—A. I kept them in my office.

Q. Whereabouts in your office?—A. In my desk.

Q. In your desk?—A. Yes, sir.

Q. That is a private desk?—A. Yes, sir, half private.

Q. Did you have any other business transactions, except as agent for the department?—A. I had the contract for the board of the men on the *Shamrock* and the acetylene barge.

Q. That was in your capacity as agent?—A. Yes, sir.

Q. I ask you, did you have any other business transaction from any other source except in connection with the department?—(No answer).

Q. Do you understand what I mean?—A. Not exactly.

Q. Let me put it this way. Have you performed any services for any other persons or people than the department during that time since February, 1903?—A. I have had some little work in connection with that new company that we formed lately, but never before.

Q. That who formed?—A. My associates and myself formed the Rameau Company.

Q. When was that formed?—A. Last February.

Q. Of this year?—A. Of this year.

Q. What was that formed for?—A. Real estate brokers and insurance brokers.

Q. I see. So that you are apparently a member of a real estate and broking firm?

A. Not an active member yet, but I am Vice-President.

Q. Of the company, is it?—A. Yes, sir.

Q. And you have some interest in that?—A. Sure.

Q. Have you devoted time to that?—A. I have devoted much time after the hours of the office, and at night, and it may have happened a few times during the day.

Q. In connection with that?—A. Yes.

Q. Have you had any receipts from that company?—A. Receipts?

Q. Money payments?—A. No. I received—

Q. Then what I want to know is, are there any credits to you in this bank book from any other source than in connection with the performance of your duties as agent of the department?—A. I have in connection with financial transactions also of my own personal—

Q. Financial transactions?—A. Yes, sir.

Q. What do you mean by that?—A. In stocks.

Q. In stocks?—A. Yes, sir.

Q. What kind of stocks, what do you mean by stocks?—A. Stocks that are sold, light, power and so forth.

Q. You mean sharese in companies?—A. Well, I don't know how you—stocks that you buy.

Q. Stocks in the stock market from the broker?—A. Yes, sir.

Q. I thought that was gambling?—A. Well, some say so, and others don't think so.

Q. I see. Do you mean you have been dealing in that kind of transaction?—A. Yes, sir, now and then.

Q. Now and then. Would you be able to pick out the items represented by that kind of transaction in the book?—A. It would be very hard because I have been doing it for the last eleven years.

Q. Eleven years?—A. Yes, sir.

Q. I should think there would not be anything left in the bank under those circumstances?—A. Well, there is not as much as there was.

Q. Now then, have any other transactions appeared in this book than your stock transactions and your transactions as agent of the department?—A. Sometimes friends would give me a certain amount to buy them stock for themselves also.

Q. Oh, I see.—A. Not very often, but it has happened, and I think happened two or three years every year, sometimes more.

Q. Small sums or large sums?—A. Sometimes large, sometimes small.

Q. I see. Well, you would pay that back, I suppose?—A. Yes, I would give them back their scrips.

Q. Scrips?—A. I am speaking English. I would rather speak French. I am doing my best.

Q. Yes, you are doing very well, sir. I suppose you were interested in these transactions as well?—A. Well, sometimes I would and sometimes I would not be.

Q. Well, apart from that kind of transaction, is there anything else that would appear here in the books?—A. I believe that would be all.

Q. Then this book contains a record of your dealings and financial transactions with the bank in your capacity as agent, and in addition to that contains a record of moneys that you have received in the course of some stock transactions?—A. Sure.

Q. I will have to make an examination of that personally, my lord, before I ask him anything further about it. I have just got it now, my lord. I will go into it more fully afterwards, as far as may be thought necessary by your lordship and by us.

Q. I see, that is the position of the matter. I am sorry you have no other books to produce?—A. Well, it needs no special bookkeeping. You give out cheques you are receiving at the end of the month and you check them with your bank-book.

Q. Did you look to see if you had those stubs of cheque-books?—A. The stubs, I have them for three months back.

Q. I know. But before that time?—A. I have none I told you yesterday.

Q. I thought it was rather usual, even with those who adopt that system of not keeping books, always to keep those stubs of cheques?—A. It has not been with me.

Q. You say now that you have got nothing else, that is what you say?—A. That is what I swear.

By Hon. Mr. Cassels:

Q. Have you any other bank account?

By Mr. Wilson:

Q. Was there another bank account?—A. That is the only one.

Q. In any capacity?—A. In any capacity, that is the only one.

Q. And did you have a bank account as agent or trustee for any one?—A. No, sir.

Q. Not with any other bank?—A. Not with any other bank.

Q. And do you know whether the bank has a record of what these transactions represent?—A. I don't know.

Q. Have you asked them?—A. I have not asked them.

Q. Then, in order to facilitate, will you be good enough to give to my learned friend, so that we may have it in practical form, that direction to your banker to produce your bank account to us?—A. I will.

By Hon. Mr. Cassels:

Q. Mr. Boucher, were there any stocks purchased or properties purchased with money that did not go into the bank, paid in cash of cheques transferred?—A. Sometimes cheques were transferred, or sometimes in cash.

Q. So that your bank-book will not show the whole of your dealings? For instance, you might get a cheque from somebody payable to your order, that might be endorsed right over?—A. I have received quite a number payable to my order from the department which I would only pay to the bank and then send my personal cheque for the same amount, quite a number of them.

Q. They might be transactions which that book does not show.

By Mr. Watson:

Q. Quite so. That opens the door a little bit to this further question. Did you receive cheques from the department representing business transactions? You received cheques for your salary, didn't you?—A. Yes, sir.

Q. You received those, I suppose, at the end of every month, or beginning of every month?—A. Yes.

Q. Coming to about \$150 a month?—A. Yes.

Q. What other cheques did you receive from the department payable to your own order?—A. The advances that they give to all the agents, the cheques for all the pay lists for the construction and the agency.

Q. Yes. You mean those were payable to your personal order?—A. To my personal order.

Q. Now, this account in the bank is a personal individual account?—A. It represents the whole of my personal account.

Q. Do you mean to say that when you received a cheque from the department as agent for application for public purposes that you deposited that cheque in your individual account?—A. Sometimes I would if it had to be divided before it was sent. If the cheque was made in full for two pay lists I would have to deposit it in my own name and make out two cheques for the two different pay lists.

Q. Then, as I understand from that, you mixed the moneys of the department with your own moneys, is that so?—A. Well, it was a very simple matter to find out which was which.

Q. I suppose so, by a system of bookkeeping, but do you mean you kept no books in regard to that?—A. I had an advance of so much a year, and those transactions of pay-lists were only passing through, which left nothing at the bank.

Q. What advance did you have per year?—A. \$2,500 and as much as \$4,400.

Q. As advance?—A. As advance.

Q. And when you got those advances you deposited the money in your personal account with your banker?—A. Yes, sir.

By Hon. Mr. Cassels:

Q. For whom were the advances applicable?—A. The pay-lists would come to the office, I would send my personal cheque to the Superintendent of Works or the Resident Engineer. I would send the pay-lists to Ottawa and I would receive the same amount as I had disbursed, so that the men would not be delayed in receiving their pay every fortnight.

By Mr. Watson:

Q. Now, let me ask you why you did not deposit these departmental moneys in a separate account?—A. Well, I really don't know. Of course, if I had known of this investigation perhaps I would have thought it better, but I thought nothing at the time.

Q. You can easily see that that is a very bad form of procedure, to mix up departmental moneys with your own personal moneys, especially stock transactions?—A. Well, the stock transactions was my own money.

Q. I know. But your own moneys were with the departmental moneys, all in the same account?—A. You can see a record for every cent I received.

Q. I cannot see the records, you have not got them.—A. At the end of every financial year they received their cheque in full.

Q. Who?—A. The department for the advances I received.

Q. You mean you accounted to the department?—A. I accounted to the department.

Q. We will inquire as to that a little later on. I just wanted the system at the present time. At all events, you say that was the system you pursued?—A. Yes.

By Hon. Mr. Cassels:

Q. Were there any other payments except wages money passing through your hands?—A. I don't understand.

Q. You got money for wages, advance moneys?—A. Yes.

Q. Did you get moneys over and above that at various times for marine purposes to pay out and disburse?—A. You see, the pay-lists every month represented about the amount I had in hand.

Q. I understand the pay-lists, but did you receive at times other sums to disburse on the part of the Marine Department?—A. Only for pay-lists.

Mr. WATSON.—That was the condition, you say.

Hon. Mr. CASSELS.—The trouble I see, Mr. Watson, is this, we are face to face with this—have you ever got into a stock speculation?

Mr. WATSON.—I have had to do, my lord, with some fortunate clients who have had some occasional transactions. In that way I happen to have a little knowledge of such matters.

Hon. Mr. CASSELS.—Supposing brokers sold out stock and deducted what was owing to them, and then made the cheque payable to this gentleman for the balance, he may have endorsed that cheque right over straight without depositing it with the bank, for all you know.

Mr. WATSON.—From what I have heard from the sources indicated, what I have in mind is that the more dangerous thing would be a person dealing that way getting

fortunate tip from the broker and then drawing on his account to the full extent in order to try to take advantage of the tip, and in that way using other people's money.

Hon. Mr. CASSELS.—I had reference more to the difficulty you would have in making the transaction. It would make it extremely difficult to trace it.

Mr. WATSON.—Yes, my lord. We will just have to inquire about those matters further. That is all, Mr. Boucher, this morning. We will follow it up again.

(Witness' bank-book from April 30, 1904, to 2nd August, 1908, marked exhibit 65). Stubs of his cheques from 9th of May, 1908, to 27th August, 1908, marked exhibit 66).

GEORGE T. MERWIN, recalled.

Q. Mr. Merwin, you were here yesterday afternoon?—A. Yes, sir.

Q. Just let me have the books you have, please?—A. Witness produces books.

Q. This is a cheque-book that you produce first?—A. Yes, sir.

Q. Stubs of cheques commencing April 19th, 1907?—A. Yes.

Q. Down to the present day. Let me have the one before this, please.—A. That is the only one I have.

Q. What?—A. That is the only one I have.

Q. Where are the others?—A. They were destroyed, as I told you yesterday, I have no use for them after they are finished.

Q. No use for them?—A. No.

Q. Where did you usually keep them?—A. In my desk.

Q. Have you looked to see whether there are any others?—A. I knew they were not there, because after I finished a book I threw the stubs in the waste basket after I checked up and balanced.

Q. This is your bank-book?—A. Yes, sir.

Q. This is from September the 5th, 1907?—A. Yes, sir.

Q. On to the present time, is it?—A. Last month.

Q. But you do not destroy your bank-books, of course?—A. Yes, sir.

Q. What?—A. Yes, sir.

Q. You destroy your bank-books?—A. Yes, sir. The only figure I require is that brought forward from the old book. As long as that balances that is all I want.

Q. Then before you leave this morning will you be good enough to sign a written order to the manager of the bank that we may examine the account?—A. Yes, sir.

Q. With Mr. Perron, if you please?—A. Yes.

Q. Then what other books have you got?—A. That is the only book I have.

(Witness' pass-book with the bank of Montreal marked exhibit 66).

Q. You have had very large transactions. Do you mean you have no other books?—A. I did not keep the books, the companies I represented kept the books.

Q. You have got no books at all?—A. No, sir.

Q. Journals, cash books, entries of any kind?—A. No books of any kind.

Q. Can you identify the transactions?—A. I can identify some of those there from that book of account—I cannot, they are the only figures there in that bank book.

Q. You cannot identify anything?—A. No.

(Witnesses' stubs of cheques with Bank of Montreal marked exhibit 67).

Q. Have you any objection to telling me what salary you received from these two companies?—A. That is a personal matter, Mr. Watson, I don't know that I care to.

Q. Perhaps his lordship may not direct you to do it if you have any objection, but I want to know whether you will tell me. You do not wish to tell?—A. I don't care to get into personal affairs, no sir. I consider that a personal matter.

Mr. WATSON.—I think, my lord, that a distinction should be drawn between a matter of this kind in which the government, and, through the government, the public is interested, and a matter between two individuals.

Hon. Mr. CASSELS.—I see no objection to Mr. Merwin telling.

Q. What possible objection can you have?—A. Well, it is a personal matter, that is all, my lord. The understanding was with Mr. Watson yesterday that this bank-book and this cheque-book were not to be made public, and my personal affairs are in these books. It is really a personal account, and—

Q. Have you any objection to telling Mr. Watson?—A. No, I have no objection to telling him personally and you personally.

By Mr. Watson :

Q. Just write it down now please.—A. To make it public, I do not care to do it.

MR. WATSON.—I will show it to your lordship and have information about it. It will assist me in going over the books.

WITNESS.—In the Safety Car-Heating and Lighting Company?

Q. Yes. Just write down the name of the company and the salary you were receiving from time to time from that company.—A. (Witness writes down this information.)

Q. And the other company?—A. (Witness also writes this).

Q. This is for the two companies, is it?—A. Yes, sir.

Q. Write the name of that second company there over it?—A. There it is (indicating).

Q. Oh, yes. Now then, apart from your salaries in those two companies did you have any other business income?—A. No, no other business income.

Q. No other business income?—A. No other business income.

Q. You were not engaged in any other kind of business transaction?—A. Well, like Mr. Boucher here, I played the market once in a while.

Q. That seems to describe the situation pretty well, the expression 'playing the market'?—A. That is English.

Q. I see.—A. That is the shortest way to put it. I didn't want to get any argument about it.

Q. Then what other kind of transaction?—A. That is about all, I cannot recall anything else.

Q. I see. And you had no interest in the Brooks & Co., business?—A. Than what I mentioned yesterday.

Q. Yes, the return of the money with interest on it. What you have said now will illuminate or throw some light on your bank-book for us, I suppose.—A. Probably.

By Hon. Mr. Cassels:

Q. Was there any fluctuation in your salary depending on orders?—A. No.

Q. A fixed salary?—A. A fixed salary. There were my travelling expenses.

Q. No decrease or increase depending upon orders?—A. No.

By Mr. Watson :

Q. Then in your own bank-book no entries would be made except entries of your personal matters?—A. Personal matters.

Q. Moneys that belonged to yourself only?—A. Yes.

Q. I see.—A. Well, no, I can't say that. Moneys that were paid to me for the company were deposited to that account.

Q. Paid to you for the companies?—A. Yes, paid me for the companies, were deposited in that account.

By Hon. Mr. Cassels:

Q. Collections made on behalf of the companies.—A. From the department.

By Mr. Watson :

Q. All passed through that account?—A. And some railroad accounts.

Q. And moneys payable to Brooks & Co. in the same way?—A. No.

Q. Did you get money in your own name that was payable to the firm of Brooks & Co.?—A. No.

Q. That went where?—A. To Brooks, F. L. Brooks & Co.

Q. And did you not have a power of attorney or power to sign the name of F. L. Brooks & Co.?—A. No. Mr. Brooks does that.

Q. That is altogether himself?—A. Yes.

Q. This will not be made public, of course. I mean to say, outside of ourselves, this will be kept strictly among the records, but I would like to have it amongst the records and marked for that purpose.

Hon. Mr. CASSELS.—Let it be marked as not to be given out. It is of no importance. It will help you to check the bank-book to give you an idea of what sums came in.

(Paper marked Exhibit 68, private.)

By Mr. Watson :

Q. Then you were good enough to say yesterday you would write letters. Did you do so?—A. I did.

Q. Have you copies of the letters that you wrote?—A. (Hands over copies of letters and copy of telegram.)

Q. And of the telegram that you sent?—A. Yes.

Q. And do you mind telling me, were those written with or without consultation with your counsel or attorney?—A. I had no consultation on the matter at all.

Q. Do I understand properly that Mr. Godfrey represents you?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Or any other counsel?—A. No, sir. I have no counsel here.

Q. This is a copy of the telegrams you sent signed by you. (Reads telegram.)

—A. Yes, sir.

(Marked Exhibit 69.)

Q. Did you receive any answer?—A. Not yet.

Q. You will let me or Mr. Perron have it as soon as it arrives?—A. Yes, as soon as it arrives.

Q. Then your letter to the Safety Car-Heating and Lighting Company, New York, reads (reads letter, marked Exhibit 70.) I observe in that letter you do not refer specifically to what you mentioned yesterday, that is, the carbon copies of your own letters to your principals?—A. I don't know, I thought that would cover the whole thing.

Q. The other letter is practically the same?—A. Practically the same.

Q. It is exactly the same, as nearly as I read it.—A. It may be a little different in the wording.

Q. This is to the Submarine Signal Co. (Marked Exhibit 71.)

By Hon. Mr. Cassels:

Q. Did you write any other letters to those people yesterday?—A. No, sir.

Q. Just these two?—A. Yes.

By Mr. Watson:

Q. Or to any one representing them?—A. Or to any one representing them.

Q. Your transactions for the most part were carried out through Mr. F. J. Fraser, I understand?

Mr. PERRON.—Mr. J. F. Fraser.

Mr. WATSON.—Mr. J. F. Fraser, for the most part.—A. No. The technical points of that work were carried out with them.

Q. Yes. That will do for the present.—A. Thank you.

Q. It will be necessary for you to keep near by. You can be at your office until after luncheon. If we want you I will let you know. Will you kindly give that direction to the banker before you leave, please.

Mr. WATSON.—Then, following up the suggestion by your lordship yesterday, I am glad to say that I have been able to procure a full list of the names of all persons, firms and corporations in Montreal with whom the department has dealt in regard to supplies of all kinds, and I have two lists here now in my hand. The first one is a list from 1887 to 1896, with the names of the persons with whom the transactions occurred during that period, that is, resident in Montreal, and I find upon that list the names of twenty-two firms and persons. The second list——

Hon. Mr. CASSELS.—Any change from the first to the second list?

Mr. WATSON.—Oh, yes, my lord. I think it has been said that about that time there was a change in the government, my lord. Then the second list is a list from 1896 to 1908, containing the names of all persons and firms here in Montreal, and on that list there are 170 names.

Hon. Mr. CASSELS.—I was going to ask you, Mr. Watson, with reference to the list put in yesterday, and with reference to this particular list now, it runs on for a period of years?

Mr. WATSON.—It is a continued list.

Hon. Mr. CASSELS.—I understand that. It does not follow the names were continuously on the list from 1896, or whatever it is, down to the present date. They may have changed, some may have been dropped out and others put on. That is merely a list containing the names of every one who during those periods have been on the lists.

Mr. WATSON.—I think their names have been on the list for practical purposes, business transactions. I will have that verified.

Hon. Mr. CASSELS.—I suppose the correspondence will verify that.

Mr. WATSON.—Yes. It is not practicable to get the correspondence until we are in Ottawa again. I want this for local examination here. As I say, the first list contains 22 names, the second, 120 names. (Lists marked Exhibit 72 a and b.)

Mr. WATSON.—Then, my lord, I call Mr. LaFleur.

ISRAEL L. LAFLEUR, sworn.

By Mr. Watson:

Q. Mr. LaFleur, you are a merchant here at Montreal?—A. I would rather speak in French, mister, but of course——

Q. You address the Court in very good English.—A. I understand, but maybe I could explain myself better in French than in English, but of course I won't make any objection.

Hon. Mr. CASSELS.—What you might do is this: If you find that you cannot express yourself at any time in English, just express yourself in French. Mr. Watson will understand, and it will be translated.

Mr. WATSON.—I will endeavour to make it plain.

WITNESS.—I understand you understand French, Mr. Watson.

Mr. WATSON.—We may not understand each other so well in French as we may in English.—A. You will have the chance over me.

Q. Then what is your company, the name of your company or business?—A. Hardware, paints and oils.

Q. That is the line of your business?—A. My line of business now, I mean of I. LaFleur.

Q. You do business in your own individual name?—A. Until 1907. Since 1907 it is LaFleur, Limited.

Q. I see, a company since that time?—A. Yes, sir. Before that, since 14 years ago I was doing business as I. LaFleur, personally.

Q. And where is your place of business?—A. 362 Notre Dame St. West.

Q. And I believe you do a considerably large business?—A. Well, I do a fair amount of business

Q. How long have you been in business here?—A. Do you mean on my own account?

Q. Yes, on your own account?—A. 17 years.

Q. 17 years?—A. 19 years.

Q. You started quite young?—A. 30 years. Too old. I should have gone at 24.

Q. Then you have had considerable transactions off and on with the department of Marine and Fisheries, I understand?—A. Well, I would not call it tremendous; I get a share of it.

Q. About what has that averaged, that is the amount of the sales annually?—A. Well, we got in 1907, \$1,400. It is a small amount.

Q. Yes?—A. 1906—I believe I have them here.

Q. Have you them there?—A. 1907, \$1,417.16. This was for different supplies at Montreal.

Q. Just give the amounts now?—A. There are six different departments in that.

Q. Then what for 1906?—A. 1906, \$2,383.49.

Q. And 1905?—A. \$6,831.

Q. I see. That was the best of the lot?—A. That was the best of the lot.

Q. And in 1904?—A. Yes, in 1904 there was \$1,670.

Q. Then before that have you gone back?—A. Gone back?

Q. Have you taken the figures before that time?—A. No, but a few years before that I used to do more.

Q. Then during the whole time you have been in business, I think you said 17 years, have you been supplying the department off and on?—A. Since 17 years.

Q. Yes?—A. No, I commenced in 1901.

Q. In 1901?—A. Yes.

Q. Now there are a great many firms dealing and selling in hardware in your line of business in Montreal?—A. Yes, sir.

Q. A great many. We would expect that. It is a very large city for Canada. And will you tell me, are you a wholesale or retail dealer?—A. Well, I am both wholesale and retail.

Q. Are you?—A. Yes, sir.

Q. In separate and distinct departments all in one place, or in different houses or warehouses, I mean?—A. The same house.

Q. The same house?—A. Yes.

Q. And do you sell both by wholesale and retail?—A. Yes, sir.

Q. I thought that was not in accordance with the unwritten law or rule, that according to that a wholesale man is not supposed to sell by retail?—A. Do you know any house that is supposed to be wholesale and they are not retail?

Q. There are houses that are wholesale?—A. Do you know a house here in town that is strictly wholesale?

Q. I am not very familiar, I regret to say, with Montreal business.—A. Well, you seem to be.

Q. Your idea seems to be, from the question you ask me, that most of the wholesale houses sell more or less by retail as well?—A. Well, what they call a wholesale and retail, what is the difference?

Q. Well, is there a difference?—A. Well—

Q. Retail dealing would be selling to the individual consumer. For instance, so that I should go into a wholesale house—A. Do you call a blacksmith a consumer?

Q. Yes, I would say so, if you ask me the question. He burns up a good deal of what he gets, or some of it, to get it in shape.—A. Well, that is just it. Any houses here in town if they sell to a blacksmith or contractor they wouldn't call a contractor a consumer.

Q. Let me ask you this: Assuming that I, a resident here, want something for 1901—10½

my house, do you understand I would be at liberty to go to a wholesale house and order from \$10 to \$20 worth of goods and get them?—A. Sure, any man.

Q. To a wholesale house?—A. Yes, so long as you have a friend there you are sure to have it.

Q. I see. Then coming as a stranger I could not. I would have to have a friend in the house?—A. I don't know.

Q. I might not even require a friend in the house. That is not exactly as I understood it. However, I thought I was wrong. You do so at all events. Do you sell in the same way?—A. Yes, I do.

Q. Well, at all events they advertise as wholesale dealers. Do you advertise as retail as well as wholesale?—A. I advertise as an importer, wholesale and retail.

Q. Well, your advertisements are a little different from theirs. They don't advertise as retail.—A. They don't advertise, but what is the difference?

Q. The advertisement is different?—A. Yes, it might be different.

Q. Then you have two sets of prices, I suppose, in your business?—A. Two sets of what?

Q. Prices. One for the retailer and one for the wholesaler?—A. Exactly.

Q. And the unfortunate retailer, I suppose, pays about 25 per cent more than the wholesaler, as a rule?—A. Well, it depends on the line of goods.

Q. It would average that, I suppose?—A. I wouldn't be prepared to say.

Q. Well in that neighbourhood, 20 to 25 per cent?—A. Yes, it would average about that.

Q. Yes, about 25 per cent. It is a good thing to be able to have a friend in the house, is it not, in order to save a considerable lot of your expenditure? Then of course, you always endeavour to sell by retail under those circumstances?—A. I don't make it out very well, mister.

Q. That being so, there being the difference between wholesale prices and retail prices that you have spoken of, that is, the retail prices being from 20 to 25 per cent more than the wholesale prices, you always endeavour to sell at retail prices if you can?—A. No, sir.

Q. Do you not?—A. It all depends on the customer and the quantity they buy.

Q. I see. You would if you could. Of course you prefer to sell at retail price because they are larger—A. I don't know I could not answer that.

Q. That is pretty natural, that is all right. Now then, we will come to the point of importance in connection with that. The purchases by the department are in large or small sums. For instance, take that year 1905 when the purchases were \$5,000 or \$6,000, how many orders would there be in that, about?—A. I really don't exactly know.

Q. Many orders, or would that be all one order?—A. You take for instance, you would have a number of orders there. Take one bill of granite or tinware, well, on bill, \$40.

Q. \$40. That is a small one?—A. A small one; but you take a carload of cement it is another thing, it amounts to more than that, or a carload of iron.

Q. Yes. You always got of course as much as you could fairly in a legitimate business way. Then do I understand that you have charged the department retail prices?—A. No, sir.

Q. What?—A. No, sir; no, sir.

Q. You have not?—A. No, sir; no, sir. I am sure if I had been trying to charge the retail price I would not have got the order, because we got a letter form asking us to quote for such and such a number from such a manufacturer. Then we send those quotations, and then I suppose if we are low enough we get it. Supposing, for instance, from Thomas Davidson, the last line of granite or tinware, well, there is a certain price for houses that are supposed to be wholesale and retail, and retail and wholesale together, there is no difference. Supposing Caver, Limited, and I. LaFleur, I am sure they could not buy a cent cheaper than me, but they have a rebate for what we call

per cent and 5 per cent that they give on tinware. Well, supposing one big firm or government go to Davidson, he will get the same price as we pay, except that 10 and 5 per cent. There is a list of all the names of all the wholesale men that are on the preferred list, and they are subject to the discount of 10 and 5. This is our profit. It is generally quoted that way, less 10 per cent and 5. Besides the 10 and 5 supposing on the list it is 50, 10 and 5, we quote 50 per cent and get the rebate at 10 and 5. Supposing I quoted 40, I would not have got the order sure, because I understand that if I did not put the right price I wouldn't get the order—in fact I have in some cases got that discount to get the order.

Q. Really?—A. Yes, sure.

Q. I was under the impression it was different from that and that the transactions were at retail prices?—A. No, sir.

Q. Never have been?—A. Never have been. I will swear to that straight, and I can prove it too. My books are there and I wish to send a man.

Q. Have you got your books here?—A. I have not my books here. I wish to send a man to show what I am saying is right. I would be delighted to produce them.

Q. Yes. I do not for a moment want to cast any doubt on what you say, Mr. Fleury, but being a retailer as well as a wholesaler I assume you have retail prices.—A. I know my business. I buy large quantities from the manufacturers direct and don't see why I cannot sell to the government as well as any other house in the town. My business is not so extended as some of these houses, but what I buy I pay for, and I understand I am on the best list.

Q. I see. Then you spoke of forms being sent to you asking for quotations. Have you ever supplied goods without a written request to quote prices being first sent in?—A. I don't think I did.

Q. And where did these orders or requests come from?—A. They came from the different departments.

Q. I mean from Sorel or Ottawa, or where?—A. They come from Sorel, from Ottawa sometimes too.

Q. Any from Quebec city?—A. I never got any orders from Quebec city.

Q. You never got any from Mr. Gregory?—A. I never did sir, never.

Q. All from whom, Mr. Desbarats?—A. At Sorel.

Q. Mr. Desbarats, or the Deputy Minister?—A. Yes, sir.

Q. Or from the department rather. Then do you know as a matter of fact whether there was competition in the supplies that you sold?—A. There was competition. You can see some other merchant giving a price the same as we?

Q. Yes?—A. Yes, I do.

Q. Then did you always get the order when you quoted?—A. No, sir, I didn't get the order, because I would have sold a big amount if I had all the orders.

Q. What proportion of the orders did you get about?—A. I don't know what they were buying fully.

Q. When you were solicited did you succeed after a time, the third and fourth time, or what?—A. You can see from the amount I told you. Supposing I got a couple of requisitions in a month, two or three, out of three I might have got one.

Q. I see. Now, what class of goods have you sold to them? Cement you mentioned, tinware—what else?—A. Tinware. I have sold bolts and granite.

Q. Eh?—A. Bolts and granite, that is about all.

Q. Granite, I see. That is supplies for the ships and for the yard?—A. Yes.

Q. About what is your average profit then on those goods as sold by you to them?—A. Well, the average—

Q. Would the average vary in different lines?—A. In different lines, yes, sir. I can't believe, I don't think it could be more than 10 to 12½ per cent.

Q. 10 to 12½ per cent. That is taking the average of all the lines?—A. All the lines. Then you have the freights sometimes, you have to deduct out of that in some cases.

Q. Do you mean you pay freight?—A. We pay freight generally.

Q. Do you, you usually pay the freight?—A. Yes, sir.

Q. And including the freight you say you think the average per cent is from 10 to 12½?—A. Well, I wouldn't be prepared to say exactly, but I don't think it would go higher than 12½ per cent. If anything it is lower than that, lower than 10. Take bolts, \$233 worth of bolts. Well, there was 55 and 10 and 7½ off that. Well, to get the order I quoted 55 and 10 and kept 7½ off and 2½ per cent cash thirty days, and you can see there I have made 7½ and 2 per cent, and the freight besides that. So I don't think that averages 7 per cent, 6 to 7 per cent in this case.

Q. On that class of goods. Now, on these classes of goods that you sold could not the department have done better by purchasing from one strictly wholesale?—A. Not at all. I am wholesale when I sell to them. I am strictly when I sell to them.

Q. Strictly wholesale?—A. Because I buy from the manufacturer direct and get the best price. I quote the lowest. If I didn't—

By Hon. Mr. Cassels:

Q. Did you buy from Rice-Lewis?—A. No, sir, we did not. We import. The only thing is in Notre Dame Street I like to keep my retail business, I like to keep my place, although I can go in St. Paul Street, but I rather stay in Notre Dame. I have got the stock and do the amount of business during the year too, so I can buy wholesale sure by buying carloads.

By Mr. Watson:

Q. You manage your own business in your own way. You do it successfully at all events?—A. Yes, sir.

Q. You spoke, for instance, of one order of \$40. Do you mean on an order of \$40 you would not sell at retail prices?—A. No, sir, I would not do it to the department.

Q. Not even a small order of that kind?—A. Not to the department, because they demand a quotation, they send me an order. I could not charge more than that because I would be checked.

Q. So you say that applies to all orders, small as well as large. Do I understand you to say that?—A. That is right.

Q. Then in connection with your business do you have a system, occasionally at all events, of paying a commission?—A. No, sir.

Q. To the purchasers or representatives of purchasers?—A. No, sir. I am the only purchaser in my place.

Q. You are the only seller, I think?—A. I am not the only seller. I buy to sell.

Q. But I mean to say people dealing with you. Have you any system by which you allow commission or deduction for the benefit of the purchaser; cash discounts?—A. No, sir. Cash discount, that is strictly business.

Q. Why don't you allow the department a cash discount?—A. We get the interest and the cash discount, that we are paid for, and we allow, we have got that entered, but we have no special commission that we pay for selling goods, we have nothing of that kind.

Q. Then do you allow to the ordinary customer a cash discount?—A. An ordinary commission, yes, on some lines of goods. Take, for instance, bar iron. You have no cash discount on that, this is regulated by the manufacturers themselves.

Q. Why did you not allow the government or the department rather the benefit of that cash discount?—A. Well, probably in quoting we thought that we were giving them that.

Q. Yes, but what about the actual fact?—A. What about the freight when we deliver goods there and wait there maybe for our money four, five or six months? They never paid prompt. Take for instance, we buy goods at ten days, 15 off that. We don't get a discount. I don't remember the government paying before 60 days or 90 days. This is a thing known all over. We should not allow that discount because we lose it, where we buy we never calculate that, because they never pay in thirty days.

Q. Then would the department be in a better position or get lower prices if they got a cash discount?—A. No. If they made prompt payment, and if they had been known to make prompt payment—

By Hon. Mr. Cassels:

Q. If they paid cash they would get the cash discount?—A. Yes, if they paid inside some lines of goods 10 days or 30 days, but I don't think it is possible for the government to pay in such a short time.

By Mr. Watson:

Q. That is the position. Then, have you at any time, Mr. LaFleur, been approached by any official of the department in regard to personal matters, personal advantages to himself or others?—A. Never.

Q. Never heard of such a thing?—A. No, I never heard of that

Q. Have you any information or evidence of irregularity or improper transactions or suggestions from officials, one or more?—A. I never heard of anything like that.

Q. Or of any gains to any of them arising out of the business transactions?—A. Not that I know, never.

Mr. WATSON.—I don't know if there is anything more, my lord.

Hon. Mr. CASSELS.—No.

EDWARD CAVANAGH, SWORN.

By Mr. Watson:

Q. Mr. Cavanagh, you are of Montreal, and of what house?—A. E. E. Cavanagh & Co., Limited.

Q. E. Cavanagh & Co., Limited?—A. E. E. Cavanagh & Co., Limited.

Q. Oh, yes. You are head of that, I believe?—A. Yes, sir.

Q. And about how long have you been in business here?—A. 27 years.

Q. And in what line or lines?—A. Hardware, paints and oils.

Q. I see. There seem to be a great many hardware, paint and oil men. Do you deal by wholesale or retail?—A. Both, sir.

Q. Both wholesale and retail?—A. Yes.

Q. And where is your place of business, if you please?—A. 935 to 945 Notre Dame Street.

Q. I understand you have had considerable transactions with the department of Marine and Fisheries?—A. Yes, a fair amount.

Q. During what period?—A. Since, I think, '97 or '98.

Q. 1897 or 1898?—A. Yes.

By Hon. Mr. Cassels:

Q. 1907?—A. 1897, sir.

By Mr. Watson:

Q. And about what is the average annual amount of your transactions?—A. Well, I have taken a memo since 1904.

Q. Yes. What are they for that year?—A. \$4,913.61.

Q. \$4,913?—A. Yes, sir.

Q. For 1904?—A. Yes.

Q. Yes. 1905?—A. \$6,401.29.

Q. Yes, \$6,400?—A. And \$1.29.

Q. Round figures are enough without the special dollars. And 1906?—R. \$6,491.

Q. That is just about the same as the preceding year?—A. Well, \$90 difference.

Q. Yes. And 1907?—A. \$7,825.

Q. I see, \$7,800. Then up to this time?—A. \$5,926.

Q. You did not go back beyond 1904?—A. No, sir.

Q. So you made considerably large sales altogether?—A. In fact since it is a company. Only since 1905. Previous to that I was alone.

Q. And what classes of goods, or what kinds of goods have you sold to the department?—A. General hardware.

Q. What classes of hardware?—A. Oh, iron.

Q. Yes?—A. And bolts.

Q. For use where?—A. At Sorel, generally.

Q. At Sorel?—A. Yes, sir.

Q. How did you happen to get the order, friendship?—A. I suppose because my prices were low enough.

Q. Yes. Through whom did you get the order?—A. Through my prices.

Q. Yes, but through what official, do you know?—A. They generally were signed by Mr. Desbarats.

Q. I see. That is from Sorel?—A. Yes, sir.

Q. What was the system pursued with you?—A. We were generally sent requisitions, in fact we were always sent requisitions as far as I remember.

Q. Did you get an order without any previous quotation?—A. No, sir.

Q. What?—A. No, sir.

Q. Did you ever get an order without a previous quotation?—A. Oh, we might have got in years gone by perhaps, I don't remember in Mr. Desbarats time ever getting an order without a previous quotation, but previous to that I remember of one little order for something in an emergency case, they asked us if we had a certain kind of bar iron, or something like that to send on by next post, to go within a few hours.

Q. I see. Just in that way. Do you know if there was competition in the supply of goods or material that you furnished?—A. I always supposed there was.

Q. What led you to suppose that?—A. Well, if it was nothing else than the circular letter, it was a typewritten circular letter, and it would be a heading of a different impression.

Q. Yes.—A. Furthermore we always understood we were more than one.

Q. Then it was well known by the department that you were a retailer as well as a wholesaler, I presume?—A. I don't know that.

Q. You don't know. Being a retailer of course it would be to your advantage to sell at retail prices. You have two sets of prices, of course?—A. Yes.

Q. Wholesale and retail for the same goods?—A. Yes, sir.

Q. And if you can sell at retail prices in a legitimate way of course you do it, and to your advantage?—A. If a person comes in for a package of tacks they have got to pay more for it than a dozen packages.

Q. Yes. And being a retailer I assume you would get retail prices from the department if you could?—A. Probably if we could, if we thought we could.

Q. Did you do so?—A. No, sir.

Q. Did you not?—A. No, sir.

Q. In what proportion of your goods did you get retail prices?—A. None that I know of.

Q. Not at any time?—A. No, sir.

Q. Do you mean to say that one who was dealing strictly wholesale would not have furnished at any less price than you did?—A. I don't think so. If I did not furnish them at the prices I would not get the order, because I suppose they asked prices from people that were supposed to be strictly wholesale.

Q. Has there been any exception to that?—A. No, sir.

Q. And about what profit do you have in your transactions with the department, average profit?—A. Oh, probably $7\frac{1}{2}$ per cent.

Q. $7\frac{1}{2}$ per cent?—A. Yes, sir.

Q. You mean by that $7\frac{1}{2}$ per cent net profit?—A. Well, probably yes.

Q. Retail prices Mr. LaFleur said are from 20 to 25 per cent beyond that?—A. Yes, I suppose they would be.

Q. Perhaps a good deal more than that sometimes; however, sometimes less, I suppose. Now, what favours have you had in connection with this account with you, Mr. Cavanagh?—A. Favours? Well, the only favour I know or could suppose would be that I was on the patronage list. That is the only possible favour.

Q. That is the only one. Well, what benefit is it to be on that list if you still have to sell in competition and at the lowest selling prices?—A. Well, I suppose that the only benefit would be that only people that are on the patronage list are asked for prices.

Q. Oh, yes?—A. That is the only advantage.

Q. You mean being on that list may give you an additional customer?—A. Yes, you are lucky enough, if your prices are right.

Q. Is there any advantage selling to the government over and above selling to a customer, have you had any advantage?—A. None that I know of, only that it increases our sales.

Q. I see. Over and above a customer would it be any advantage selling to the department rather than to say Jones & Co., the same amount?—A. Nothing that I know of, sir, only that it will increase your sales, and probably allow you to be a larger purchaser and get better prices.

Q. Oh, yes. Then are your purchases all by wholesale or retail? You purchase from wholesale houses?—A. I purchase from the manufacturer generally.

Q. And import yourself, I suppose?—A. Yes. Of course wholesale dealers, what you call strictly wholesale dealers, buy from one another when they are short of goods. They cannot always wait to import goods, and they buy from one another to fill orders. They probably have to sell and don't make a cent profit on it, it is just to fill the order.

Q. That is a sort of trade or business accommodation from one to another?—A. Yes, you might call it that.

Q. Then what other official than Mr. Desbarats have you come in contact with?—A. Well, the Deputy Minister.

Q. Yes. What communications have you had with him, personal communications?—A. None that I know of.

Q. All written communications?—A. Yes.

Q. And with any one else, Mr. J. F. Fraser?—A. No, sir.

Q. Mr. B. H. Fraser?—A. No, sir.

Q. Have any approaches been made to you by any officials or any one representing them in regard to personal advantages in the transactions?—A. None whatever, sir.

Q. Never heard of any such thing in connection with your own business?—A. No, sir.

Q. Do you know of any such thing in regard to business between the department and any one else?—A. I don't.

Q. If I were in business making similar purchases to those made by the department, would I not be allowed some discount or advantage that the department does not get—or commission?—A. The government buy too close for that, that is my experience.

Q. I see. Would any other customer get any advantage that the department does not get?—A. Would any which?

Q. Does any customer of yours get any advantage, any better terms than the department?—A. No, sir.

Q. Do you say no?—A. I do.

Q. What do you mean by saying they buy too closely?—A. Well, you know, they are sure pay. And they ask many, that is, there is more than one asked for prices, and we have to give our very best prices, or we won't get the order.

Q. That is what you say?—A. In fact for all goods we have sold to Sorel we pay freight, and that is generally thrown in. We never calculate our freight.

Q. Then where does the rake-off come in?—A. I don't know what you mean by rake-off.

Q. All right, Mr. Cavanagh.

By Hon. Mr. Cassels:

Q. Is there any benefit from being on the patronage list other than to get the opportunity of tendering?—A. None that I know of, your lordship.

Q. The list is not published at all?—A. I have never seen it anyhow.

Mr. PERRON.—My lord, I have a few witnesses here whom I have brought in case you would go on with the Boucher investigation.

Mr. WATSON.—His lordship has decided that.

Mr. PERRON.—I know; but I want to put some questions to them and send them away.

Hon. Mr. CASSELS.—You see, the reason that I do not want to go on with Mr. Boucher is not, as has been stated in the newspapers, because Mr. Fyshe has dealt with the case.

Mr. WATSON.—Mr. Fyshe's name is not dealt with.

Hon. Mr. CASSELS.—That was in the papers.

Mr. WATSON.—That was a mistake, a misapprehension.

Hon. Mr. CASSELS.—My decision was not based on that ground at all.

Mr. WATSON.—Mr. Fyshe never had anything to do with it; it was Mr. Gaudet.

Hon. Mr. CASSELS.—Mr. Gaudet was a separate and particular Commissioner.

Mr. WATSON.—I noticed that, my lord, it was a mistake. One paper mentioned Mr. Fyshe as the Commissioner, but that was just a clerical error.

Mr. PERRON.—I have only a very few questions to put to the witnesses.

Hon. Mr. CASSELS.—Whatever you think is material.

Mr. PERRON.—It is over and above what is contained in the report. Of course, I do not believe there is anything in it, but I simply want to put them through the questions.

Hon. Mr. CASSELS.—It seems to me, with regard to Mr. Boucher, that he has been reported against on some points and in favour on others, and he is out of the service, so it is not worth while wasting much time cutting up a dead horse.

Mr. PERRON.—I do not want to go into this at all, my lord.

EUGÈNE TREMBLAY, commis au département de la Marine à Sorel, de Sorel, âgé de vingt et un ans, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron:

Q. Vous dites que vous êtes commis au département de la Marine à Sorel?—R. Oui, monsieur.

Q. Depuis combien d'années?—R. Depuis quatre ans.

Q. Qui avez-vous remplacé là?—R. Je n'ai remplacé personne.

Q. Quel est votre chef maintenant?—R. Monsieur Charles Bazinet.

Q. Depuis quand monsieur Bazinet est-il là?—R. Depuis mil neuf cent sept (1907), je ne sais pas la date.

Q. Depuis mil neuf cent sept (1907)?—R. Oui, monsieur.

Q. Avant cela, qui était là?—R. Monsieur Ernest Roy.

Q. Monsieur Roy a résigné?—R. Oui, monsieur.

Q. Qu'est-ce que faisait monsieur Roy?—R. Il était surintendant des travaux.

Q. Surintendant de quels travaux?—R. Des travaux de la construction des phares.

Q. Où?—R. Sur la rivière Saint-Laurent, entre Montréal et Québec.

Q. Qui a remplacé monsieur Roy?—R. C'est monsieur Charles Bazinet.

Q. Vous avez déjà été appelé comme témoin dans l'enquête qui a été tenue sur le compte de monsieur Roy?—R. Oui, monsieur.

Q. Vous avez rendu votre témoignage?—R. Oui, monsieur.

Q. Cette enquête-là a été tenue par monsieur Gaudet?—R. Oui, monsieur.

Q. En dehors des faits que vous avez reprochés à monsieur Roy ou à monsieur Boucher dans cette enquête qui a été tenue par monsieur Gaudet, connaissez-vous quelques faits contre quelques employés à Sorel en dehors de ces deux-là?—R. Non, monsieur.

Q. Vous rappelez-vous des charges que vous avez proférées contre monsieur Roy et monsieur Boucher?—R. Oui, monsieur.

Q. Vous vous rappelez de cela?—R. Oui, monsieur.

Q. En dehors de ces charges, des charges sur lesquelles monsieur Gaudet a fait une enquête, connaissez-vous quoi que ce soit contre monsieur Boucher en dehors de cela?—R. Vous dites?

Q. Vous vous rappelez des faits sur lesquels vous avez été interrogé dans cette enquête?—R. Oui, monsieur.

Q. Vous rappelez-vous des accusations qui ont été portées contre monsieur Boucher devant monsieur Gaudet?—R. Oui, monsieur.

Q. Vous avez rendu votre témoignage sur ces faits-là?—R. Oui, monsieur.

Q. Avez-vous dit tout ce que vous saviez, connaissez-vous autre chose en dehors de cela?—R. Non, je ne connais rien, j'ai dit tout ce que je savais.

Q. Quels sont les employés à Sorel que vous connaissez?—R. Actuellement.

Q. Oui, et même en mil neuf cent quatre (1904)?—R. En mil neuf cent quatre (1904), il y avait monsieur Ernest Roy.

Q. Il est parti?—R. Oui, monsieur.

Q. Ensuite?—R. Moi.

Q. Ensuite?—R. C'était tout.

Q. Il n'y avait pas d'autres employés dans le bureau que vous connaissiez?—R. Il n'y avait pas de bureau en mil neuf cent quatre.

Q. Il n'y avait pas de bureau?—R. Non, le bureau était à bord d'une barge.

Q. En quelle année le bureau a-t-il été établi?—R. Au commencement de mil neuf cent cinq (1905), dans le mois de janvier.

Q. Depuis mil neuf cent cinq (1905), y a-t-il eu d'autres employés là à part monsieur Bazinet et monsieur Roy en charge des travaux?—R. Il y a l'ingénieur résidant.

Q. Comment l'appellez-vous?—R. Emile Longtin.

Q. Depuis combien de temps est-il là?—R. C'est lui qui a remplacé monsieur Arcand.

Q. En quelle année?—R. En mil neuf cent huit (1908).

Q. Vous ne connaissez rien de reprochable contre qui que ce soit à part ce que vous avez dit à monsieur Gaudet?—R. Non, monsieur.

Et le déposant ne dit rien de plus.

ARTHUR CHARLAND, contracteur pour le département de la Marine pour la pension des hommes qui travaillent à la construction des phares, de Sorel, âgé de quarante-deux ans, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron:

Q. Vous avez été employé au département de la Marine à Sorel?—R. Oui, monsieur.

Q. Dans quel temps?—R. Du premier septembre mil neuf cent cinq (1905) jusqu'à mil neuf cent sept (1907).

Q. Jusqu'à mai mil neuf cent sept (1907)?—R. Oui, monsieur.

Q. Pourquoi êtes-vous parti du département?—R. Je suis parti du département parce que j'ai eu un contrat du gouvernement pour pensionner les hommes qui travaillent à la construction des phares, il paraissait que c'était le désir de l'auditeur général que l'on n'occupe pas deux positions.

Q. Vous n'avez pas été renvoyé?—R. Non, j'ai donné ma démission.

Q. Quelle position occupiez-vous lorsque vous étiez à l'emploi du gouvernement?—
R. J'étais commis au département.

Q. Vous étiez commis au département?—R. J'étais commis pour monsieur Roy pour le département de la Marine.

Q. Travailliez-vous à la même place où travaille monsieur Tremblay?—R. Oui. à la même place.

Q. Dans le bureau?—R. Oui, monsieur.

Q. Qu'est-ce que vous faisiez?—R. C'est moi qui confectionnais la liste de la pension des hommes, monsieur Tremblay confectionnait la liste de paye.

Q. Monsieur Tremblay avait charge de la liste de paye et vous vous aviez charge de la liste de pension?—R. Oui, monsieur.

Q. C'est monsieur Roy qui avait le contrat pour la pension?—R. C'est monsieur Roy qui avait le contrat de la pension.

Q. Y avait-il d'autres personnes que lui qui avaient des contrats pour la pension?—R. Non, monsieur.

Q. Je parle pendant tout le temps que vous avez été employé là?—R. Il a toujours été question de monsieur Roy, ça toujours été monsieur Roy.

Q. Vous rappelez-vous qu'une enquête a été tenue par monsieur Gaudet sur le compte de messieurs Roy et Boucher?—R. Oui, monsieur.

Q. Vous vous rappelez de cela?—R. Oui, monsieur.

Q. Vous avez été entendu comme témoin dans cette enquête-là?—R. Oui, monsieur.

Q. Connaissez-vous les accusations qui étaient proférées tant contre monsieur Roy que contre monsieur Boucher dans le temps, vous rappelez-vous ce qu'on leur reprochait?—R. Oui, c'était à propos...

Q. Vous en rappelez-vous?—R. Oui, monsieur.

Q. Quand vous avez rendu votre témoignage devant monsieur Gaudet, vous a-t-on demandé ce que vous connaissiez sur ces accusations-là?—R. Oui, monsieur.

Q. Vous a-t-on parlé des questions qui vous permettaient de dire ce que vous saviez?—R. Oui, monsieur.

Q. Avez-vous tout dit?—R. Oui, monsieur.

Q. Tout?—R. Oui, tout ce que je savais.

Q. En dehors de ces accusations-là qui étaient portées contre monsieur Roy et monsieur Boucher, connaissez-vous d'autres charges contre eux ou contre quelques autres personnes qui étaient à l'emploi du département?—R. Non, je ne connais rien autre chose.

Q. Absolument rien autre chose que cela?—R. Absolument rien autre chose.

Q. Vous connaissez les travaux qui se font dans le chenal?—R. Oui, monsieur.

Q. Connaissez-vous les entrepreneurs?—R. Cela se fait à la journée.

Q. Vous connaissez les contremaîtres?—R. Oui, monsieur.

Q. Connaissez-vous les capitaines de navires, de vaisseaux ou de barges ou des diverses embarcations qui sont employées pour le chenal?—R. Oui, monsieur.

Q. Vous les connaissez tous?—R. Oui, monsieur.

Q. Aviez-vous connaissance de la façon dont ils accomplissaient leurs travaux?—
R. Non, j'étais à l'office, je ne voyais pas comment ils se conduisaient, naturellement je n'ai pas de connaissance là-dedans.

Q. Vous étiez un commis?—R. Oui, monsieur.

Q. Monsieur Charland, connaissez-vous quelque chose contre aucun des employés du département de la Marine, je parle toujours en dehors de ce que vous avez dit de Roy et Boucher?—R. Comme je l'ai dit déjà, je ne connais rien autre chose.

Q. Contre aucun employé?—R. Je ne connais rien contre aucun employé.

Q. Avez-vous connaissance que quelques employés aient reçu des commissions, de l'argent?—R. Non, monsieur.

Q. Jamais?—R. Jamais.

Q. En avez-vous reçu vous-même?—R. Non, ni moi non plus.

Et le déposant ne dit rien de plus.

GEORGE J. KILPIN, recalled.

Mr. PERRON.—I may state to your lordship, for your information, I want to get from Mr. Kilpin particulars of their agent in Quebec. I may need the information when I get down to Quebec.

By Mr. Perron:

Q. You are manager of the Imperial Oil Company?—A. General Manager in Montreal.

Q. Do I understand you have a branch or office in Quebec?—A. Yes, sir.

Q. Where?—A. 26 St. James Street.

Q. Who is your agent there?—A. Mr. John Laird.

Q. Will you kindly tell me how long Mr. Laird has been there?—A. 11 years I should judge, from 10 to 11 years.

Q. He was there in 1903 or 4?—A. Yes, sir.

Q. Now in the year 1903 or 4, was there anybody else in the office but Mr. Laird?—A. Not excepting the clerks, he has two or three clerks there.

Q. But he is entirely in charge of the office?—A. Yes, sir.

Q. Any business transacted in Quebec would be transacted through him?—A. Through him.

Q. You have stated to me that the Imperial Oil Company during those years, 1903 and 4, 1904 and 5, and 1905 and 6, dealt with the department of Marine and Fisheries from the Montreal office?—A. Not from the Montreal office.

Q. You have no sales whatever from the Montreal office during those three years, I mean direct sales?—A. No, absolutely none. Possibly emergency shipments when they were out of supplies, I cannot tell from memory, but they would be very small.

Q. But you mean there was practically nothing excepting emergency shipments perhaps, and those were very small?—A. Very few indeed.

Q. For those three years any transactions you have had with the department would be through Mr. Laird?—A. Yes, sir.

Q. Well now, I want to know from you, Mr. Kilpin, if it is not asking too much, is Mr. Laird on salary or commission?—A. On salary.

Q. He receives no commission whatever?—A. Absolutely no commission.

Q. On the sales that are made in Quebec?—A. Absolutely none.

Q. And this has been the case during 1903 and 4, 1904 and 5, and 1905 and 6?—A. Since he has been representing us there, ten or eleven years, or possibly longer.

Q. Well now, would you mind, Mr. Kilpin, giving me the correspondence which passed between Mr. Laird and yourself with respect to the orders taken in Quebec?—A. I will send you the regulation orders.

Q. I should like the correspondence?—A. There is no correspondence, only regular orders. The deliveries would be made from there.

Q. I should like to get all the papers by 2:30 this afternoon?—A. I can get what we have here.

Q. I mean—A. 2:30, no sir, I could not do it by then. For how long back?

Q. 1903 and 4, 1904 and 5, 1905 and 6 and 1906 and 7 will do?—A. I will get it as soon as possible, but all our papers up to within two years are filed away and boxed in at the St. Paul works, and I don't know how long it will take to ferret out this.

Q. Can you get them by Friday morning?—A. I will get them as soon as I possibly can.

Hon. Mr. CASSELS.—That is from 1903.

Mr. PERRON.—Yes, my lord.

By Mr. Perron:

Q. Now do you know Mr. Kilpin from whom the orders which were filled in Quebec were obtained, by Mr. Laird? Do you remember by seeing your papers?—A. I could

not tell you without referring to the papers. It would be some boats of the department would run out of supplies and require them in a hurry.

Q. Was it not from Mr. Gregory?—A. I don't think so. Of course I know Mr. Gregory. I think probably he did give some orders.

Q. I want to get the papers so as to find out whether the orders given to your agent in Quebec were through Mr. Gregory. All these orders, I want them all?—A. All right, sir.

Q. Of course you could not tell me at present the prices and so forth, it is too old?—A. That is impossible.

Q. Now, on those orders, Mr. Kilpin, I understand commission has been paid?—A. Not as far as we are concerned, we never gave a commission.

Q. Will you look up your books and find out? You will tell me when you come back on Friday whether on two orders commissions have not been paid either to your agent in Quebec or to somebody else?—A. Not to our knowledge here.

Q. This will appear in your books if you paid a commission?—A. Well, it should, but I am confident to say it would not have been passed so far as we are concerned here.

Q. Well, will you find out if the orders which have come from Mr. Gregory or from Quebec, if there was not two cents overcharge made on the prices?—A. I will do so with pleasure, but I am pretty sure, as far as we know at this end anyhow, there was no overcharge.

Q. Anyway, I want to get as soon as possible all the papers?—A. I will get what I can. I think probably from 1903 to 5 would be destroyed.

Q. Get all the papers you have?—A. All I have.

Q. By Friday morning. I mean orders, any correspondence which passed between yourself, that is the company, in Montreal, and your agent in Quebec, and anything respecting those orders?—A. All right, sir.

Q. That will do unless his lordship has any questions.

Hon. Mr. CASSELS.—I have no questions.

By Mr. Perron:

Q. Friday morning?—A. I must be here personally?

Q. No.—A. I expect to go away Thursday night.

Q. The party who comes here will be able to state about the prices?—A. Mr. Hewitt.

Hon. Mr. CASSELS.—Would he not be competent to give the required information from the books?

Mr. PERRON—I could send the accountant, perhaps.

By Hon. Mr. Cassels:

Q. How long will you be away?—A. Probably until Monday night or Tuesday morning.

Q. Probably the accountant or his assistant will do?—A. They will have full knowledge of any account, and answer all questions.

By Mr. Perron:

Q. So long as I get all the necessary information I do not wish to keep you here.—A. They all go through him.

Q. He will be able to get that for me by Friday?—A. Yes. Thank you.

BERNARD W. COGHLIN, sworn.

Mr. PERRON.—There is a simple fact I want to establish. Mr. Coghlin's father is not in the country.

By Mr. Perron:

Q. Mr. Coghlin, you are connected with the firm of B. J. Coghlin, is that the name the firm?—A. B. J. Coghlin & Co.

Q. Are you a member of that firm?—A. I am a member of the firm.

Q. Since when?—A. For about 8 or 10 years.

Q. Who is the head of the firm?—A. Bernard James, my father.

Q. Is he in Montreal at present?—R. He is away in Europe.

Q. How long has he been away?—A. He has been away since June.

Q. When do you expect him back?—A. November.

Q. Not before November?—A. No.

Q. When about in November?—A. About the middle part of November.

Q. About the 15th?—A. About the 15th. There is nothing decided yet, he has not at his passage.

Q. Who is your accountant?—A. Oscar Dumont.

Q. How long has he been there?—A. I could not say. I should say about 10 years maybe.

Q. And who else is in the office there but yourself?—A. My brother.

Q. Has he been there a long time also?—A. I have been there a year more, I have been there 17 years.

Q. Who is in charge of affairs?—A. Dumont, under my supervision.

Q. You are in charge of the books?—A. Yes.

Q. Have you got your books here?—A. No.

Q. You have not?—A. No.

Q. Have your books been examined?—A. Yes.

Q. By whom?—A. Mr. Duff.

Q. When was that?—A. About a week or two ago, about two weeks ago.

Q. Who gave him information?—A. I gave him every information he asked for. Anything I could show him, anything he asked for.

Q. Did you show him the invoices?—A. I showed him the invoices from the parties and receipts. I showed him the invoices from the department, and every charge in connection with the accounts. I showed him our ledger, I showed him every detail since we started doing business with the department. In fact I showed him everything I knew of correspondence and everything.

Q. How long is it since you started doing business with the department?—A. That ledger started in 1902, and we did a small business before then. I could not say what year it was, eighteen hundred and something, not a very large amount.

Q. Personally do you know anything about this business you have been carrying on with the government?—A. How do you mean, personally?

Q. Do you know the details?—A. I don't know of anything I am not aware of.

Q. Is there any information which could be given by your father and which cannot be given by you, that is what I want to know?—A. Not that I know of.

Q. You have your books here, I suppose?—A. Our books are in the city.

Q. But you have not them in the Court here?—A. No, sir, I have not.

Q. You say you have been trading with the government since 1900?—A. I think

Q. With the department of Marine and Fisheries?—A. I think so.

Q. Do you remember what was the amount of your sales in 1904 and 1905, have you any idea?—A. I have an idea. I should say in 1904 we did about \$5,000 worth.

Q. How much?—A. \$5,000. I wouldn't say definitely, I don't remember. We went over that, but I couldn't say the extent for each year.

Q. You say you went over each year with?—A. With Mr. Duff.

Q. That is the occasion you mentioned a minute ago?—A. Yes.

Q. Now, do you remember about 1905 and 1906, what was the amount of your sales?—A. I don't think the largest year was more than \$5,000, if that much.

Q. Would that be the average?—A. That would be the largest.

Q. For the three years?—A. The average would not be over \$2,000.

Q. For the three years?—A. Yes.

Q. What goods did you sell to the department?—A. Silverware, cutlery, chain.

Q. For ships?—A. For ships.

Q. And?—A. I think that is all. I don't know of anything else.

Q. Who was the official with whom you were dealing?—A. Mostly through correspondence, some Mr. Gourdeau.

Q. The Deputy Minister?—A. The Deputy Minister, but mostly correspondence on tender.

Q. On tender, yes. Is your firm a wholesale or retail business?—A. Wholesale, sir.

Q. Strictly wholesale, or doing a retail business also?—A. We are not selling any retail, maybe a small transaction.

Q. You would not call that retail?—A. No, sir.

Q. Just wholesale?—A. Yes, sir.

Q. What are you dealing in?—A. We are dealing in hardware.

Q. Oils?—A. No. We make a speciality of chains.

Q. How long has your firm been in existence?—A. I think 42 years. My father came out here representing silverware and cutlery firms.

Q. Now, Mr. Coghlin what prices did you get from the department?—A. In some cases we got fair prices, and others we lost money on, and others we made a very small profit on indeed.

Q. Well, how is it you came to lose money?—A. There are some cases where the prices were cut with the expectation of getting larger orders. Then we placed the business and lost money, because they would not take it at the figure. I know in some cases we were ashamed to send the order through the manufacturers because it was so small. We tendered on a large quantity, but a large quantity was not awarded, only a small quantity, and instead of handing the order back, as we should have done, we filled it at a loss.

Q. And you say that on some orders you got fair prices?—A. Fair prices.

Q. In how many instances did this happen?—A. I could not say off-hand. I should say that we got a fair profit through averaging it all, we got a fair profit on most of the transactions.

Q. What do you call a fair profit?—A. A fair profit means a large difference. A fair profit on iron I should say would be $2\frac{1}{2}$ to 10 per cent profit. On other articles it might run up to 40 to 50 per cent. We never made any profit like that.

Q. What was the average profit you made with the department?—A. I should say 15 to 20 per cent.

Q. Is this gross profit or net profit?—A. I allude to net profit to the business, exactly what you can carry forward on the year's profit.

Q. Now you say you had dealings with Colonel Gourdeau, the Deputy Minister of Marine and Fisheries?—A. Yes, sir.

Q. Yourself?—A. No, sir. I met him continually in the office, but I never solicited business from him because I was confined to the office.

Q. Now, what commission was paid to Colonel Gourdeau?—A. No commissions were ever paid.

Q. Are you sure of that?—A. I am confident we never paid commissions of any kind.

Q. Directly or indirectly?—A. Directly or indirectly we never paid any commissions.

Q. Now, have you had dealings with other officers besides Colonel Gourdeau?—A. Other officials?

Q. Yes?—A. We have had some with Mr. Desbarats, of Sorel.

Q. Yes. Mr. J. F. Fraser?—A. I don't think any transactions. Some chain transactions may have come through inquiries from him; beyond that nothing.

Q. Have you met Mr. J. F. Fraser at your store or any place else?—A. Not to my knowledge. I don't think he ever came to our place.

Q. Have you ever seen him in Ottawa?—A. No.

Q. You don't remember any dealings with Mr. J. F. Fraser?—A. I don't remember meeting him.

Q. You say no commissions were paid to any one?—A. No commissions.

Q. They may have been paid without your knowledge?—A. It never came to my knowledge.

Q. Why?—A. Because it would come through the cash-book.

Q. Do you think it would be entered in the cash book?—A. The money, we all know what it is, it all comes up to our knowledge.

Q. Now, Mr. Coghlin, you no doubt recollect that the name of your firm was advertised some years ago with reference to some orders for the *Champlain*?—A. Yes, remember.

Q. And also the *Montcalm*, two steamers?—A. Yes, sir.

Q. You remember those instances, don't you?—A. Yes.

Q. You know it has been stated in the newspapers and everywhere that you had overcharged the department?—A. Yes, sir, I do.

Q. Did you appear yourself before the Public Accounts Committee?—A. No, sir, I did not.

Q. Who appeared there?—A. My father, Mr. Coghlin, senior.

Q. Then surely you must know nothing about these transactions with reference to the *Champlain* and the *Montcalm*?—A. They came right to our knowledge a few days ago when we went over every voucher.

Q. When you went over every voucher?—A. Yes, every paper that had dealings with that at all.

Q. To whom did you show those papers?—A. Mr. Duff.

Q. Every paper in connection with the *Champlain* and the *Montcalm*?—A. Every paper, yes.

Q. What was the amount of those orders?—A. I think it was about \$3,400.

Q. \$3,400 for the two ships?—A. The two ships.

Q. Was this one order or composed of many items?—A. One order composed of four items.

Q. What?—A. Four items, one order. At least there were four invoices for one sum.

Q. Tell us, please, what those goods were?—A. There were silverware, cutlery and glass.

Q. How much silverware?—A. A great amount, \$2,700.

Q. \$2,700 of silverware?—A. I would not be positive of that item.

Q. What else?—A. The four items, silverware, cutlery, glassware and chinaware.

Q. Do you remember what was the amount of the cutlery?—A. I could not say. The cutlery was small, about \$200.

Q. And the balance was china and glassware?—A. China and glassware.

Q. \$3,700 did you say?—A. \$3,400.

Q. Well now, by whom were those goods ordered?—A. The Deputy Minister, I think.

Q. Colonel Gourdeau?—A. Yes.

Q. Have you got in your store the original order?—A. No, we have not. The order has gone backwards and forwards to Ottawa three or four times until my father and myself have not been able to locate it. It was written in lead pencil and authorized us to furnish the two boats.

Q. How is it the order has gone backwards and forwards to Ottawa and is now lost?—A. Mr. Coghlin thought it necessary to show it to the committee and brought it up.

Q. Where?—A. At Ottawa, each time it was investigated, and he had it with him.

Q. Do you mean this order was brought up to Ottawa by Mr. Coghlin when he was summoned to appear before the Public Accounts Committee?—A. Yes, sir.

Q. And you say it was during that time the order was mislaid?—A. Yes. It may turn up yet.

Q. Have you looked for it?—A. I made a search for it. Mr. Coghlin may have it away with him, he may have taken it with his private papers and left it at his own house, but although I have made a search I cannot find it.

Q. Where did you make a search?—A. In his office, in his private papers. It should be in our papers, but it is not on the file. I saw the order. There is nothing in it beyond that we were to furnish these two vessels with china, silverware, cutlery and glass.

Q. No prices were mentioned?—A. No prices were mentioned.

Q. You mean to say you were entitled to charge your own prices on this order?—A. Yes. We had nothing to go by, no samples to follow or anything tangible to work on.

Q. So then you charged your own prices?—A. Our own fair prices.

Q. You charged your own prices?—A. Our fair prices.

Q. Now what did you charge?—A. We charged a fair price.

Q. What do you mean by a fair price?—A. In the first place we charged I think at net about 20 per cent profit, after we made up the account 20 per cent profit. That did not include office expenses.

Q. What do you mean, 20 per cent difference between the purchase price and the sale price?—A. The actual purchase price and the expenses incident to that, like freight, duty, insurance, cartage, and then the selling price.

Q. And there was a margin in your favour of 20 per cent?—A. Yes.

Q. That was on the first order you say?—A. That was on that order of \$3,400.

Q. Yes, 20 per cent. Well, that is a rather high profit is it not?—A. No, sir, not at all a high price, because they are goods you must have some knowledge about, and you have got a great deal of risk in taking it; you have to deal with the manufacturer, you have to take the risk. If not right you have to return them. It is not like selling your own way. On other goods we make considerably more profit. Having expert knowledge you are entitled to that percentage.

Q. There is no risk there, I understand, because if the goods are not up to standard you return them?—A. No, we could not return them. We would have to take up the dispute with the manufacturer if they were not right. The goods come straight from the manufacturer through us, we have to pay the account no matter what the government may say. Moreover, they were not examined until May. Meantime we had to pay interest on our account and office expenses out of that.

Q. Yes. But if prices had been asked from you, as has been done in other cases when you sold to the department, do you mean to say you would have put up a profit on a margin of 20 per cent as in this case?—A. We would not have tendered otherwise, unless they were ordinary staple articles, ordinarily on sale and kept in stock.

Q. You have already stated to me that in many cases your net profits were 2½ and 5 and 6 per cent?—A. The ordinary profit on the selling price of iron is 2½ to 5 per cent. That is a staple article you can dispose of if returned. But with goods you have got to bring out from the Old Country and keep and send over to the government is a different thing entirely. And then moreover when I say 20 per cent above the cost, we have to figure on office expenses and travelling expenses as well, which would amount to a considerable sum.

Q. Yes. But Mr. Coghlin, do you persist in saying that if tenders had been asked from you for this silverware, cutlery and so forth, as they were for other staple articles which you sold, you would have put on a margin of 20 per cent?—A. We would not have tendered at all without samples. If you gave us samples to work by we might have tendered less, but not very much, but tendering in the same way we would not have taken the business for less.

Q. Why was it sent to you?—A. I don't know. There were no samples. I suppose they didn't know exactly what they did want. They knew the quantities, because we had already furnished a vessel a good way back under Mr. McElhinney.

Q. What vessel?—A. The *Lady Laurier*.

Q. When was that?—A. 1902.

Q. Surely you did not make 20 per cent that time?—A. I don't think so—probably about the same somewhere. I know the prices were about the same.

Q. Well, you were asked for tenders, were you not, when you supplied the *Lady Laurier* with silverware?—A. No. We were asked to take the official around and introduce him to the people, the manufacturers, because these people my father has been doing business with as agent for 42 years. He could be with them on the spot, take them up through the samples and so on. There are no samples on the spot, and I suppose no samples here in Canada like that. Silverware is not manufactured extensively here.

Q. But do you mean to say the government could not at least make a design or have a design made and give you an opportunity of tendering, knowing exactly what the department wanted?—A. They might have, but I don't know.

Q. But you did not get it?—A. We did not get it.

Q. And this enabled you to get better prices?—A. I don't think it gave us any better price. We would not take the business for any less price. We have to take all the responsibility. Although I figured on 20 per cent, that does not cover the profit, because you must take expenses out of that.

Q. Well, Mr. Coghlin, you say you would not have tendered at less than 20 per cent. You thought at the time it was only fair you should return some \$2,000?—A. Mr. Coghlin returned that without the knowledge that we had paid over \$500 worth of duty and a few other little items. He went up to Ottawa without this knowledge and without looking over the account. When he came back and told me I just showed him the books where we had paid over \$500 worth of duty.

Q. Yes. But, Mr. Coghlin, you are a partner in this firm?—A. Yes.

Q. And have been for 10 years or over?—A. Yes.

Q. Surely, before returning—is it \$1,000?

Mr. WATSON.—\$1,171.

By Mr. Perron:

Q. Before returning to the Auditor General this sum of \$1,171, surely your father, although senior partner in the firm, must have talked to you about it?—A. No, sir. He went up to Ottawa and returned it there without any notice whatever, without asking any question at all.

Q. Well, he must have found at the time that the profits charged were excessive or else he would not have returned the money. He is not in the habit of giving away his money, is he?—A. Only the invoices were produced showing the English value, and they compared that value with what we charged the department, and they were taking one from the other. That was the comparison. There was no question of duty, and he did not look into it.

Q. Let us understand. You say the original invoices were taken and compared with the invoices—A. To the department.

Q. And it was on this comparison that the sum of \$1,171 was returned?—A. Yes, sir.

Q. Well then, the comparison of the two invoices showed that the profits charged by you were excessive?—A. I don't know what happened on that occasion, I could not say, and my father was not very clear on the point of why he returned it. All I know is he did return the money and on his telling me I showed him the fact that we were losing money by it.

Q. Could you tell me, Mr. Coghlin, what margin your invoices showed in comparison with the English invoices?—A. I could not say. I know it showed less when I figured it up.

Q. I mean the comparison at Ottawa when you compared the English invoices with your invoices. Can you tell me what margin of profit they showed?—A. I could not say at all, sir, and comparing the invoices in our own office Mr. Duff could not arrive at any conclusion.

Q. He could not?—A. No.

Q. Why is that?—A. I don't know how he was persuaded to return the thing, I cannot make it out.

Q. But you stated in comparing the two invoices Mr. Duff could not arrive at any conclusion?—A. No, not at all.

Q. Why?—A. He could not arrive at any reason why such a sum was returned.

Q. You mean to say that Mr. Duff could not find the reason why the money was returned?—A. In adding up the figures or deducting or subtracting he could not find out any reason for this sum of money being returned.

Q. Of course your father being away, he has not given any reason to Mr. Duff?—A. He does not know himself.

Q. Who?—A. My father. He says he does not know why the sum—the figures were brought before him, he did not add them up or anything, he took them as being the fact and paid the sum back.

By Mr. Watson:

Q. Did not that \$1,171 represent a commission of 5 per cent on the wholesale price in addition to the profits? That is the point?—A. No, sir. Five per cent represented \$100 odd.

By Mr. Perron:

Q. 5 per cent. \$3,400 at 5 per cent is \$170 to start with.—A. Well, the whole item where 5 per cent was charged was \$100 on the bill.

Q. There was at least \$100 of overcharges there?—A. There was an item charged of 5 per cent. You might consider it an overcharge.

Q. This was an overcharge of 5 per cent?—A. It was placed as a commission of 5 per cent.

Hon. Mr. CASSELS.—Will you be some time longer, Mr. Perron?

Mr. PERRON.—We must go into this thoroughly, my lord. It came before the Public Accounts Committee.

Hon. Mr. CASSELS.—Yes. We had better adjourn to a quarter past two.

Adjourned accordingly.

2:15 p.m.

Mr. C. D. GAUDET appeared as counsel for Mr. Coghlin.

Mr. PERRON.—My lord, with your lordship's permission I will ask to suspend Mr. Coghlin's examination for a few minutes. I have here Mr. Crossan, of the T. F. Moore Company. He has been here four days and he tells me he wants to go away. I cannot refuse him after his being here so long.

Hon. Mr. CASSELS.—We will accommodate the witnesses as much as possible.

GEORGE W. CROSSAN, sworn.

By Mr. Perron:

Q. Mr. Crossan, I understand that you are connected with the firm of T. F. Moore & Co.?—A. Yes, sir.

Q. In what capacity?—A. As President and Managing Director.

Q. For how many years have you been President and Managing Director of this company?—A. For the last five years.

Q. Where is the office of the company?—A. 521 DeMontigny East, Montreal.

Q. What is this company dealing in?—A. It is dealing in coal.

Q. Coal?—A. Principally.

Q. And it has been in existence for how many years?—A. Oh, for about 25 years.

Q. In Montreal?—A. In Montreal.

Q. Doing a large business?—A. Doing a large business.

Q. Have you any objection to tell the average of your business about for ten years?—A. Somewhere about \$220,000.

Q. In coal?—A. Yes.

Q. Well now, have you been dealing with the department of Marine and Fisheries in 1904 and 1905, 1905-6 and 1906-7?—A. Yes, we have had some transactions with them, principally in 1904-5.

Q. Have you with you a record showing the amount of these transactions for those years?—A. Well, I have a memorandum that I prepared to refresh my memory.

Q. Will you please give me the figures?—A. In 1904 we sold the department \$15,-03 worth of coal. It was, I should say, principally in one sale.

Q. About when was the sale made, Mr. Crossan?—A. This sale was made in 1904 in answer to an advertisement that appeared in the public newspapers for the supply of the shipyard at Sorel. They asked for, I disremember now whether it was 14,000 or 16,000 tons of coal. We did not sell the whole amount; we sold them 4,090 tons.

Q. At what rate?—A. \$3.90 per ton, delivered in Sorel.

Q. Was that hard coal?—A. No, sir, Reynoldswood steam coal.

Q. Now, Mr. Crossan, do you say this order was obtained by you after tender being made?—A. Yes, sir, in answer to the advertisement that appeared in the newspapers. We applied for the regular form of tender, it was sent to us, and we tendered for the supply of the coal. We were not allotted the whole quantity, but we received an order from them for about 4,000 tons.

Q. 4,000 tons?—A. Yes.

Q. Well, do you know whether you were the only tenderer?—A. I am sure we could not have been, because they required some 14,000 or 16,000 tons, and that is all we sold them that year. These others are little small amounts that don't amount to anything.

Q. \$1.75, yes. Now, did you have to meet any one of the officials in connection with this tender?—A. Well, we did not have to meet any of them.

Q. Did you meet any of them?—A. No, I cannot say we did. We had to find out from Mr. Desbarats at Sorel when he would be ready to receive this coal in order to provide for the arrival of it there in proper time, and we usually did that by long distance telephone. We made arrangements with Mr. Desbarats that he would be ready to receive a boat at such and such a date. Well, as soon as possible we sent it there for that time.

Q. Is this price of \$3.90 a big price?—A. No; that is a fair and reasonable price for that coal in that year. The following year, I might say, we sold them the same kind of coal and sold it to them at \$3.70 instead of \$3.90.

Q. What was the order for the following year?—A. The order for the following year was about 6,000 tons out of about 16,000 tons, I think.

Q. Amounting to \$23,000 or \$24,000?—A. Amounting to \$24,600.

Q. Well now, talking of the second order for the second year, how did you get this order?—A. Just exactly in the same way as we got the other one, in answer to their call for tenders for the supply of coal for the shipyard at Sorel. We tendered for the whole amount.

Q. Coal was cheaper?—A. And made them a reasonable price in consequence, and they did not allow us the full amount.

Q. Why?—A. I could not tell you. I suppose—

Q. What about the third year now?—A. Well, in 1906 our total dealings with them were \$450.

Q. There is nothing in that, that does not matter. What kind of business are you carrying on, wholesale or retail?—A. We sell wholesale and retail.

Q. In this coal you sold to the department did you make retail or wholesale prices?—A. They were wholesale prices, because we were aware when they called for tenders in the public press we were not going to be alone, and we wanted to put our very best price in or we would not get any order.

Q. How much commission have you paid on this?—A. Not one cent.

Q. To anybody?—A. We don't pay commissions, and the coal business would not permit of such a thing.

Q. Why?—A. The prices are too small.

Q. Do you mean on those sales?—A. I mean to say they were very close sales.

Mr. PERRON.—My lord, I do not feel I can pursue this any further unless your lordship or Mr. Watson has anything to ask.

By Hon. Mr. Cassels:

Q. You paid freight, I understand?—A. Yes, that was delivered on the dock at Sorel over the ship's side.

Mr. PERRON.—Unless your lordship has something special to ask the witness I do not feel I should go further.

Mr. WATSON.—Wait a moment.

By Mr. Perron:

Q. Will you let me see this statement, please?—A. Yes, sir. (Hands statement to counsel.)

Q. In 1904 I see a small order for 500 pounds of stove?—A. Yes, sir.

Q. Where was this coal shipped?—A. That coal was delivered to 223 Commissioner street, Montreal.

Q. What is that place, 223 Commissioner street, Montreal?—A. It is an office of the Marine and Fisheries department.

Q. An office. That would be the office of the Marine and Fisheries department, Montreal?—A. Yes, sir.

Q. There is also another small item of about 6,000 pounds?—A. That is 3 tons.

Q. Where was it delivered?—A. At the dry dock, Mill street, at the rate or \$7 per ton.

Q. Where is the dry dock?—A. The Marine and Fisheries department use some place up there, I believe. That is where we ship the coal.

Q. Tell me exactly where this dry dock is?—A. It is situated up Mill street in the Lachine canal.

Q. Have you seen the place yourself?—A. No, sir, I have not, any more than I have seen Sorel. I have never been there.

Q. This place is in Montreal?—A. I have never been on the dry dock that I know of. I have an idea of where it is situated, between Black's bridge and Wellington bridge in the Lachine canal.

Q. I understand according to you this would be a special place used by the Marine and Fisheries department for dry docking?—A. Certainly.

Q. But I want to know from you if you have ever seen this dry dock?—A. Never.

Q. Do you know who was in charge of it?—A. I cannot tell. We would receive an order the same as for Commissioner street over the telephone to send one ton or two tons of stove. We would receive the order over the telephone and they would sign the tickets.

Q. Who would give you the order over the phone?—A. I suppose the person in charge of that boat and they would instruct us to charge it to the Marine and Fisheries department.

Q. But you do not know at all?—A. We would not get a written order for that any more than for that 500 pounds of coke.

Q. You cannot tell me now who gave this order for this amount?—A. No, certainly not. Half the time I am not in the office.

Q. What about this 1,000 pounds (indicating)?—A. Well, here is an item of \$7.05 for somewhere about 28 odd tons of Sydney coal delivered on the tug *J. Howden* in 1905.

Q. Is this a tug of the Marine and Fisheries Department?—A. I believe it is.

Q. You do not know?—A. I really don't know positively.

Q. Do you know the captain?—A. I don't know the captain, but very likely the captain of that tug came up to our office and said, 'The tug *James Howden* is lying at such and such a dock. We want 25 tons or 20 tons of coal.' We suppose he had the order. We delivered it on board the tug *Howden*, somebody in charge signed our coal tickets for it, and we forwarded the bill to the Marine and Fisheries department.

Q. And were paid?—A. And were paid.

Q. But what I would like to know from you is the name in each case of the dealer who gave you these small orders?—A. I am very much afraid that I may never be able to give you that. I might, but I don't think it, unless that I could find out who was captain of the tug *Howden* in the year 1905. I never saw the tug *Howden* myself.

By Mr. Watson:

Q. Did this coal go to tugs or steamers?—A. In this case the item of a little over 28 tons went to the tug *Howden*.

Q. That is what you say. Now, with regard to the others?—A. The 500 pounds delivered to Commissioner street we would have a signed ticket for, the same as the others. All our coal tickets are there in duplicate form, and the person receiving the coal keeps one and signs the other, to be returned to the dealer.

Q. Were you selling coal to the officials at the same time?—A. No, sir, oh, no. This 500 pounds of coal is a matter of \$1.75.

Q. I understand that, but I want to know who got this coal?—A. It was delivered to 223 Commissioner street, but who burned it there I really could not say.

Q. Are you sure it was delivered there?—A. Sure.

Q. Take this 20 tons of coal delivered on the tug *Howden*. Are you sure it was delivered there?—A. Yes, as sure as I could possibly be without having delivered it myself.

Q. On account of those tickets which you say were signed?—A. On account of the tickets.

Q. But you cannot tell me by whom the tickets were signed?—A. I cannot tell you whether it was the mate, purser or captain, whoever does that kind of work. I really don't know.

Q. What about this old Sydney \$400, where was this delivered?—A. I could not tell you that just now. That was delivered in various places, to tugs here and there I suppose. You see, a boat like the *Frontenac* or *Lady Grey* will come up to Montreal, they are going away on a trip and want to be coaled, they have only got a very short time here.

Q. This old Sydney, could it be used for?—A. Of course, I could find out where that old Sydney, \$400 worth, I could tell you where that went.

Q. I would like to know. Could this old Sydney be used by an individual for his own furnace?—A. No, sir, it was steam coal.

Q. Strictly coal for steamers?—A. Yes.

Q. In those figures which you have given me there, is there any coal which could be used by any individual for his own furnace?—A. The whole thing is less than four tons, well, less than 10 tons, I think, of stove coal.

Q. Of stove coal?—A. Yes, sir.

Q. Where was that delivered?—A. Three tons was delivered to the dry dock, half ton was delivered in bags on board the steamer *Frontenac*. That would be for the use of the kitchen stove, the range.

Q. You said 10 tons?—A. That is included in the ten. Three tons dry dock and half a ton to the *Frontenac*. The balance of it does not show here where it was delivered; I can get that information.

Q. Can you get particulars?—A. Yes.

By Mr. Perron :

Q. Will you get that for us on Friday morning?—A. Yes.

By Mr. Watson :

Q. During what time?—A. 5½ tons appears to have been delivered in 1906 and three and three-quarter tons appears to have been delivered in 1904.

By Mr. Perron :

Q. Will you find out where that ten tons of stove coal was delivered and give us the information on Friday morning?—A. Yes, and if it is possible I will give you the tickets.

Q. If you can do, please. We should like very much to see them.—A. Yes.

Q. Now, are you dealing in something else than coal and wood?—A. Coal and wood.

Q. Anything else?—A. No, sir. These are our total dealings with the Marine and Fisheries department since 1904, the total dealings, sir.

Mr. WATSON.—If my learned friend does not object, I would like to ask a question of the witness.

By Mr. Watson :

Q. Do you know Mr. Clement?—A. Mr. Jules Clement?

Q. Yes.—A. Yes.

Q. Know him pretty well?—A. I do, sir.

Q. How long have you known him?—A. Oh, probably for 7 or 8 years, probably more, perhaps ten years.

Q. A personal friend?—A. Oh, like a good many other friends, we have a bowing acquaintance, very little more than that.

Q. Is he a customer of yours?—A. No, sir.

Q. What?—A. No, sir, he is not a customer of ours.

Q. Has he ever bought coal of you?—A. Yes.

Q. Well, he would be a customer?—A. He has bought coal, but he is not a customer of ours now.

Q. When did he cease to be?—A. Oh, two or three years ago, I think.

Q. None delivered to him within two years?—A. No, sir, I don't think so.

Q. Before that did he buy all his coal from you?—A. I could not say that.

Q. You could not say?—A. No.

Q. When coal was delivered to him where was it delivered to him, at what place?—

A. On Sherbrooke street.

Q. That was his place of residence was it?—A. That was his place of residence.

Q. And for the coal that was delivered to him to whom was the account rendered?—A. To him.

Q. Eh?—A. To him, of course.

Q. How do you know that?—A. How would it be rendered to anybody else?

Q. Well, do you know whether or not the account was delivered to him as a matter of business recollection?—A. As a matter of business recollection I could not say because I did not keep the books, but when you asked me that question it naturally occurred to me the account would be rendered to him.

Q. I see. Now, I may say to you that these questions are asked by reason of information which has come before the Commission in regard to these matters, making it necessary, or proper, rather, to ask these questions.—A. Yes, sir.

Q. And I would like when you come back on Friday morning for you to be good enough to produce a copy of the account between that gentleman and your firm or company. Will you?—A. Yes, sir.

Q. And will you ascertain the time of delivery?—A. I will, sir.

Q. And ascertain whether the amount was paid, on what dates, by whom, and in what way?—A. Surely.

Q. Will you?—A. Yes, sir, I will. I will find you out full particulars.

Q. Then what other officials or gentlemen connected with the department or with those in charge of departments were customers of yours, what others?—A. I cannot—

Q. Did you sell, for instance, to Mr. Boucher?—A. No, sir, we never sold to Mr. Boucher I think this year. I think we sold him coal last year. But speaking about Mr. Boucher, I want to say to you I didn't know Mr. Boucher until I met him here.

Q. Well, let me see his account as well?—A. Yes, sir.

Q. And who else did you sell to?—A. Connected with the Marine and Fisheries department?

Q. Yes?—A. I don't recall any.

Q. Or wood?—A. No, sir, or wood. I don't recall anybody.

Q. No one else?—A. I don't recall anybody.

Q. I see. Then what transactions have you had with the gentleman first named, Mr. Clement, what business transactions have you had with him, have you been associated with him more or less?—A. Not in any way.

Q. No business transactions?—A. No business transactions whatever.

Q. What association has there been between you and him, any particular affiliation?—A. Not the slightest sir, not the slightest. Any time I went up to Ottawa to see what was the reason why perhaps we did not get any part of an order when we tendered for it, or went up to see about getting our deposit back, or business of that kind, my business brought me in connection with Mr. Clement. I met him here at Montreal in the same way.

Q. He was at that time Secretary of the then Minister, Mr. Préfontaine?—A. I met him only in that capacity.

Q. Let me ask you this plain question that there may be no misunderstanding about it at all: Has he or any one else associated directly or indirectly with the department obtained any advantages from you in purchases or transactions?—A. Not the slightest.

Q. Can you say as a matter of recollection whether that is so?—A. Certainly.

Q. Has any one received goods or coal or wood from you that has afterwards been charged to the department?—A. Never, never.

Q. Could such a thing occur without your knowledge?—A. It could not occur.

Q. Might it not occur in the system of your business without your knowledge?—A. I don't think it could.

Q. That is, goods ordered by telephone to be sent to another place and charged to the department?—A. We don't do that kind of business.

Q. I would not assume you to do it knowingly, but could you be imposed on?—

Q. Then I would like you to bring those accounts?—A. Yes, sir.

A. No, sir, we have never been imposed upon so far as my knowledge serves me.

Mr. WATSON.—I would like, if your lordship has no objection, that this letter should be put upon the files, my lord. I regard it as a matter of considerable importance.

(Anonymous letter marked Exhibit 73.)

(Account furnished by witness of coal transactions with department marked Exhibit 74.)

Mr. GODFREY.—My lord, I have a couple of witnesses I wish to call on behalf of the Canadian Fog Signal Company and Mr. J. F. Fraser, in connection with the St. Lawrence route, the diaphone and the acetylene buoys. I have asked Mr. Watson if he would give me this privilege.

Hon. Mr. CASSELS.—Who are the witnesses?

Mr. GODFREY.—Mr. J. Stanley Cooke, Secretary of the Board of Trade here, and Captain Christie, of the Dominion Liner *Manxman*.

Hon. Mr. CASSELS.—Has Mr. Watson any objection?

Mr. WATSON.—Well, my learned friend has undertaken, as counsel, representing these parties who are interested, to say he regards it as a matter of importance from their standpoint, as a matter of vindication of their position. Subject to what your lordship says, I do not personally wish to stand in the way, because their position is somewhat peculiar and extraordinary, and I would not want to be the means of shutting the door against the evidence on my learned friend's assurance that he regards it as important.

Hon. Mr. CASSELS.—What are these witnesses to do?

Mr. GODFREY.—I am going to put them in, my lord, to show the value of these appliances judged as a matter of results.

Hon. Mr. CASSELS.—Where do these witnesses live?

Mr. GODFREY.—Here in Montreal.

Hon. Mr. CASSELS.—You are putting them in in line with the other witnesses examined the other day?

Mr. GODFREY.—Certainly.

Hon. Mr. CASSELS.—You understand the investigation is not closed at all.

Mr. GODFREY.—I understand it is not closed, but these witnesses are here in Montreal and I want to get this evidence before the Commission now.

Hon. Mr. CASSELS.—If Mr. Watson has no objection I have none. I want to accommodate the witnesses as far as I possibly can, but I do not want you to understand the investigation is closed.

J. STANLEY COOKE, sworn.

By Mr Godfrey :

Q. What is your position, Mr. Cooke?—A. Assistant Secretary of the Board of Trade.

Q. Of Montreal?—A. Montreal.

Q. How long have you occupied that position?—A. Oh, 9 or 10 years.

Q. Now, you have some knowledge of the agitation in connection with the aids to navigation on the St. Lawrence ship channel?—A. In so far as any action of the Board of Trade was concerned I have some general knowledge.

Q. There was some years ago, I understand, quite an agitation in connection with increasing the navigation facilities on that route?—A. A very warm agitation.

Q. Now, who was at the back of that agitation?—A. Well, the Council of the Board of Trade took action on many occasions and made representations to the department, and some years ago the head and forefront of the agitation were the underwriters, the marine underwriters, headed by Mr. Bond, who was then the leading underwriter of the city.

Q. Mr. Bond. Was he President of the Board of Underwriters?—A. He was President of the Marine Board of Underwriters of Montreal, a branch association of the Board of Trade.

Q. What practical form did this agitation take?—A. Well, for a number of years we were continually making representations and sending deputations to the government, and finally Mr. Bond prepared a long statement. I see you have a copy of it there.

Q. I ask you to produce a printed statement showing the marine losses on the St. Lawrence from the years 1898 to 1899, inclusive?—A. Yes, this is the book we have here (producing).

(Marked Exhibit 75.)

Q. Will you just keep that by you. I notice in this that the statistics as they appear in this document were presented to the government on the 12th of November, 1900. I suppose that is correct, Mr. Cooke?—A. That is correct.

Q. And I also notice that there has been some compilation of the losses and the total insurance in connection with the St. Lawrence ship channel. On the second page they show that the total premiums charged during those years, from 1889 to 1899, were \$598,711; deducting 20 per cent for expenses of conducting business there remains \$278,969 to pay losses during that period; and the total losses during that period to the underwriters were \$2,921,609. Showing a total loss to the underwriters of over \$2,600,000 on their business during that period on export?—A. Export business.

Q. Those figures apply to exports alone?—A. Those were specified because the export business was the business on which the rates were kicked about chiefly.

Q. I see. As I understand, the exporters from Montreal were objecting to the marine rates?—A. To the comparative, not so much the actual rates as the comparative rates with other Atlantic ports, Boston—

Q. What were the rates?—A. I am not in a position to state.

Q. Were they very much higher out of Montreal?—A. Than out of New York.

Q. Then this statement was prepared showing on exports alone there was a loss in those 10 years of over \$600,000 to the underwriters?—A. Those figures are necessarily round numbers, they are necessarily general because the exact figures could not be ascertained, but Mr. Bond compiled these after consultation with the other underwriters in Montreal, the idea being to use these for two purposes, in the first place to impress upon the government the necessity of improving the channel and, in the second place, to relieve the underwriters, who were attacked on all sides for their high rates, that even at the high rates the business was not paying the underwriters. These were the objects in preparing the statement.

Q. Then I see the statement prepared for the years 1895 to 1899. You will see that on the third page the total losses in that period were \$1,786,184 and the premiums were \$903,681, deducting 20 per cent for carrying on business \$180,736, leaves \$722,945 to pay these losses with, showing a loss in those five years of over \$1,000,000. That seems to be correct according to these figures?—A. So far as the statement may be taken, yes.

Q. Then further down taking the whole recorded losses on hulls during those eleven years we see they are estimated at over \$10,000,000?—A. Yes; that including the inward losses on cargoes and the hulls as well both inward and outward. That is the idea of the total statement.

Q. That is the total statement?—A. Yes.

Q. Then I notice on the last page of the statement, the next page over, coming to the question of competition we have this statement:—‘It should be pointed out also that inasmuch as the combined value of many of the steamers and their cargoes sailing from Montreal amounts to upwards of half a million dollars and the largest modern steamers the value of hull and cargo would probably exceed a million and a quarter dollars, it requires a number of strong companies to carry these risks, and no action that any one company might take could bring about any general reduction in rates. This can only be accomplished effectually and permanently by a reduction in the risks to navigation in the river and gulf.’ Now, do you know, Mr. Cooke, when these aids to navigation commenced on the ship channel. I mean when it was taken up in a systematic way by the Department of Marine and Fisheries?—A. I could not answer that question, I am not familiar with the details of the management.

By Hon. Mr. Cassels :

Q. As I understand, this witness is speaking from this pamphlet, not from his own knowledge?—A. I have a general knowledge, but no absolute technical knowledge of the route.

By Mr. Godfrey :

Q. This pamphlet is issued over your name?—A. I was Secretary of the organization, but the figures were compiled by the committee headed by Mr. Bond.

Hon. Mr. CASSELS.—The pamphlet speaks for itself.

By Mr. Godfrey :

Q. Yes, my lord. I just wanted to get it in that way.—A. I only know it was a matter extending over years and years, the Board of Trade and the shipping people of Montreal for years and years had been urging on the department these improvements, so much so that I think some of the officials of the department got rather tired of hearing about them. I remember on one occasion Mr. Bond told me of an interview he had with Colonel Anderson.

By Hon. Mr. Cassels :

Q. Go on.—A. The agitation was so continuous that the officials of the department were tired of us.

By Mr. Godfrey :

Q. You were telling of some interview with Colonel Anderson?—A. Colonel Anderson said one day when the underwriters were after him, 'I think you people would like a barbed wire fence built from here to the sea.' 'Yes,' Mr. Bond said, 'if necessary to make the navigation safe it would be up to the government to do it.' It just shows the attitude of the incessant agitation on the part of the underwriters and the business men of Montreal.

Q. Have you ever seen this pamphlet, Mr. Cooke, which is a reprint of an article from the Liverpool 'Courier,' dated July 30, 1902?—A. Yes, I remember seeing it. I had a couple of copies in the office.

Q. I would like to put this in as an exhibit. It is very interesting as showing the position taken by a leading English newspaper on this very question.

Hon. Mr. CASSELS.—What I have said once or twice, Mr. Godfrey, is this: No man in his senses would doubt the wisdom of improving the navigation of the St. Lawrence. That is not the question. The question is whether there has been reckless expenditure of money and whether the department might have accomplished the same results for a less sum.

Mr. GODFREY.—Well, of course, one way of getting at that is, what have we got for the money expended.

Hon. Mr. CASSELS.—Of course, I am not saying one way or the other. I am not sitting here on the policy of the government. It is not for me to say whether it was right to improve the navigation. What I have to find out is, whether in improving the navigation moneys have been spent which should not have been spent.

Mr. GODFREY.—There is a further question in regard to the Canadian Fog Signal as to buoys. I will just put this in as an exhibit, it is a very interesting article.

(Newspaper article marked Exhibit 76.)

By Hon. Mr. Cassels :

Q. I want to ask you a question, Mr. Cooke. Have you any memorandum showing the losses between 1900 and 1906?—A. No. I might explain that the underwriters—

Q. I am only asking you the question.—A. Went to pieces shortly after.

Q. Have you any information showing the relative proportions of insurance, showing the earlier rates as between New York, Boston, Montreal and Quebec and those of the present time?—A. No, we have nothing of that kind.

Mr. GODFREY.—Mr. Robb is getting that. This pamphlet gives full statistics of all losses with particulars showing a total loss of 28 ships in that period of 10 years.

Hon. Mr. CASSELS.—Mr. Allan told us something about losses.

Mr. GODFREY.—Yes, my lord. All right, Mr. Cooke.

Mr. WATSON—I do not examine this witness, my lord, at the present time. I do not see how my learned friend is going to apply his evidence in argument in favour of his clients. However, I do not know what he may be able to do.

Hon. Mr. CASSELS.—I suppose what Mr. Godfrey wants to show is the enormous benefit of the diaphone.

Mr. GODFREY.—We have saved the country a couple of millions of dollars on insurance, and we expect to be paid for it; that is all.

JOHN WESTWICK CHRISTIE, sworn.

By Mr. Godfrey :

Q. What is your occupation?—A. Master mariner.

Q. And what position do you occupy now?—A. I am in command of the Dominion Line steamer *Manzanar*.

Q. Running between where?—A. Running between Montreal, Quebec, Liverpool and Bristol.

Q. And how long have you been in this Montreal trade, Captain?—A. I first came into this trade, I should say, 17 years ago as extra chief officer of the Royal Mail steamship *Canada* when she came here first.

Q. You have sailed up and down this channel for the last 17 years?—A. More or less.

Q. And I suppose you feel qualified to give an opinion as to the channel as it existed in those days and as it exists now?—A. Throughout the whole of my career during the 17 years I have always been in command of a ship or the navigating officer of a mail boat.

Q. Now, what was the condition of the channel before the year 1900, that being the year when these aids to navigation were really started?—A. Previous to the year 1900, well, my earliest recollections of the channel were that it was the worst lighted and worst buoyed channel in any part of the world considering the size and the importance of the port.

Q. What was the character of the buoying and lighting in those days?—A. Well, at that time there were no gas buoys to speak of; I may make a mistake, there might have been one or two, but most of the buoys were old spar buoys with heavy fir brush on them. Well, those buoys were all right, you could see them some distance in fine weather, but when summer squalls came on and it commenced to blow in the autumn and snow fell in the fall the full weight of the snow got on the brush buoys and the weight of the wind put them right down in the water, you could not see them at all. Of course, since we have got the tall gas buoys heavily ballasted the channel is a different place altogether.

Q. Now you know this carbide buoy?—A. The big carbide buoy, yes.

Q. That is the latest thing?—A. That is the latest thing.

Q. Now, will you describe that to his lordship as it appears to you from a mariner's view?—A. These new carbide gas buoys are very large buoys. They are buoys that will stand up in any current or any breeze of wind. That is, they don't lay down with either wind, current or the weight of the water; they stand right up, and you can see those gas buoys on a clear night 7 or 8 miles, and from a steamship bridge you can see them farther. That gas buoy I am speaking of, you can see that range, is that tall gas buoy you can see just from the Quebec bridge, it points up to the—

By Mr. Watson :

Q. You don't need a buoy on a clear night.—A. We have one or two in the Mersey now, I believe.

By Mr. Godfrey :

Q. Now, what do you say, speaking generally, as to this Willson carbide buoy?—A. Well, I say it is an excellent buoy. Of course, it is a blinking buoy, and these

blinking buoys are buoys you can by no manner of means—that is, the pilot, master or navigating officer of the ship can by no means mistake them for any other sort of light. He cannot mistake them for an anchor light of a battleship or a ship or anything swinging forward behind an obstruction. That light has a distinctive feature. It goes in and out with a 'pluck,' it comes and goes automatically, and you cannot make a mistake. You can make a mistake, but it is too narrow.

Q. You mean you cannot afford to make a mistake?—A. A very slight mistake you make you get £20,000 damages on top of you.

Q. So I suppose the best is none too good for the St. Lawrence route?—A. Not the slightest.

By Hon. Mr. Cassels:

Q. It is an alternating light, it comes and goes?—A. Yes.

By Mr. Godfrey:

Q. Does it come and go at regular intervals?—A. Yes, without any—

By Hon. Mr. Cassels:

Q. It is not a continuous light?—A. No, it goes in and out, it occults. I do not know the mechanism, it is a patent. It is a buoy that is absolutely reliable. I have never known the buoy to fail yet. We have the same system of occulting buoys going into Liverpool.

Q. What is the action of the light, how does the light operate, it comes and goes?—A. Yes, sir.

By Mr. Godfrey:

Q. What is the interval between the flashes?—A. It has a sort of automatic cut-off and it lights up again.

By Hon. Mr. Cassels:

Q. What is the interval of the cut-off?—A. Just a few seconds.

Q. Like those revolving lighthouses, the same principle?—A. You can make them go otherwise in other ports, you can make them occult twice every ten seconds the same as once every five seconds, any short intervals, but I don't think they can make them occult at long intervals.

By Mr. Godfrey:

Q. Have they different periods between the flashes of the buoys?—A. No, just plain occulting buoys. You don't want any distinguishing feature, the channel is straight.

Q. Now, is there any better buoy, so far as you know, than this Willson buoy, this carbide buoy?—A. Well, it is the best buoy we have so far, and if it was not a good buoy the Mersey Dock and Harbour Board would not take it up; they want everything of the best.

Q. Now, you know about this fog signal, the diaphone?—A. Yes.

Q. What do you say about it?—A. When you come down to fog signals there is of course the gun signal, the steam whistle signal, and the diaphone. Now, the steam whistle signal simply depends on whether the man in charge of it keeps up steam all the time. Coal at those outlying stations is very hard to get and sometimes after a spell of fine weather fog comes on and the fog signal is not exactly ready as soon as it ought to be. Over that system the diaphone possesses a huge advantage, simply because you have huge tanks in which you store the compressed air, and you turn on gas and it goes at once as soon as the fog settles down. The lighthouse keeper has the rules and regulations of the lighthouse and he has a stationary object, it might be a buoy or another piece of land, and as soon as that land is obscured that is his cue, he has to start.

Q. He touches the button and the diaphone does the rest?—A. The megaphone goes, there is no delay. Of course, that is the success of the diaphone fog signal.

By Hon. Mr. Cassels :

Q. The diaphone is only used on lighthouses and on vessels?—A. Sir?

Q. Is the diaphone signal only used on lighthouses and on vessels?—A. Oh, it is used universally

Q. But where is the instrument located?—A. Of course when you come to some of the English lightships, the lighthouses, of course they have steam power, in which the steam power is always up for working the mechanism of the light, those big powerful English lights are like a high-power station.

Q. But what I want to know is this: Take the diaphone fog whistle, it requires to be somewhere where it can be started?—A. You have got to have some start.

Q. You cannot utilize them on the buoys or anything of that sort?—A. No, you cannot, I don't think so.

Q. You must have steam?—A. You can use an automatic whistle, but that goes by the motion of the waves, that is not what you would call a gigantic success.

Q. It must be on lighthouses or vessels. When started as soon as the fog comes on it goes on until stopped; that is the diaphone?—A. Yes. It goes itself so long as you have compressed air, and then, of course, any old time you can start the engine and renew the compressed air.

Q. Yes.

By Mr. Godfrey :

Q. And what about the sound of the diaphone, the character of the sound given forth by this diaphone, Captain?—A. Well, when you come to sounds, Trinity House of London have conducted large experiments through Lord Whaley, an eminent scientist and adviser of Trinity House, another gentleman—I forget his name—a leader in the science, and another scientific engineer, in reference to sounds. It is a thing we know very little about, but the consensus of opinion is that sound goes in waves. From my professional knowledge I can state that you can be close to a fog signal and not hear it and yet be a long way off and still hear it; the sound goes over ones head.

By Mr. Watson :

Q. It may not be much good when it is needed?—A. Well, it is only an aid to navigation. A fog signal is not an absolute certainty; it is like a flying machine.

By Mr. Godfrey :

Q. But taking the fog signals as we have them, what do you say as to the satisfactory character of the diaphone as an advanced aid to navigation on that line?—A. That fog signal you have is as good as any other fog signal on any other part of the coast in any part of the world at the present day.

Q. That is to say, you say there is nothing better than the diaphone?—A. For the ordinary use of a preventer.

By Mr. Watson :

Q. If the wind blows that way?—A. Really the best signal of the lot is a big gun.

By Mr. Godfrey :

Q. That is not practicable?—A. No, you would have to have such a large quantity of explosive and the gun would have to be that big that the gun is practically put out of court. It would cost too much. You are not very rich here.

Q. And then we would have to have another Commission to investigate that.

By Mr. Watson :

Q. The greatest and best protection is a good captain.—A. The best protection is not to approach a foggy coast at all, stop until the fog clears up.

By Mr. Godfrey :

Q. Now, you say these new aids have made navigation very much better?—A. The channel is improved wonderfully. The St. Lawrence river from being the worst lighted and buoyed channel in the world is now one of the best.

Q. What is the practical result so far as navigation is concerned?—A. The result is that the ships have a larger tonnage and they come and go at night time at a large saving of time. I may say of my own experience that I have been coming consistently up and down the channel at night time. Last fall I went down in the night time with a deep loaded ship drawing 28 feet, from Sorel.

Q. Could you have done that prior to 1900?—A. If it was not well buoyed a good steering ship might. My ship is not a very big ship, but the channel as it is I should say is fully a couple of hundred per cent safer than ever it was before, and ships make far better time.

Q. And that is a great saving?—A. In these times now-a-days you simply cannot get any more raising of the freights and the only way to make more money is by reducing your working expenses.

Q. I see. That will do Captain.

Mr. PERRON.—I will go on with Mr. Coghlin now.

B. W. COGHLIN, recalled.

By Mr. Perron :

Q. Now, Mr. Coghlin, we were talking about this refund of \$1,171 which was made by your father to the Auditor General, and you stated you could not find out the reason for the return of the money. Will you please state what reasons you have for your opinion?—A. Because I have gone over the books and I cannot make them agree.

Q. Why, in what way?—A. Well, I find we are at a loss, we are out of pocket a considerable sum, and that by refunding it he is refunding a free grant of money, he is giving the government back more than he ever made out of it by a considerable sum.

Q. You stated however that you had heard that the invoice from England had been compared with your own invoice and that it was on this comparison your father had reimbursed this \$1,171?—A. I understand that.

Q. Now, what will that comparison show if those two invoices are compared, your own invoice to the department and the invoice from the manufacturer in London, England to you?—A. It would not show a sum of that description,

Q. Not \$1,171?—A. I think a little more than that.

Q. That would be a profit of how much per cent?—A. A profit? It would be a loss. There is no profit. By giving the \$1,100 back we are out of pocket between \$400 and \$500.

Q. How do you explain that?—A. I can explain.

.. *By Mr. Watson :*

Q. Do you mean out of pocket on the whole transaction?—A. Yes, by giving the \$1,100 back.

By Mr. Perron :

Q. I should like details.—A. I have prepared a memorandum giving a rough idea of it.

Q. Let me see that, please?—(Hands memorandum to counsel.)

By Mr. Watson :

Q. By this I see you show a loss incurred of \$406 on the transaction?—A. Yes.

Q. Having regard to the repayment of that \$1,171?—A. Yes, sir

By Mr. Perron :

Q. What do you mean by that, 'If paid our present claim on the government, our profit'?—A. We claim we should get back that. It was money that never should have been refunded.

Q. You mean to say you are claiming from the government \$1,171 which you have already refunded?—A. Yes, sir. We do claim it and will take action.

Mr. WATSON.—You will have a very hard time getting it. You cannot pay money voluntarily one day and get it back the next day like that.

(Memo. marked Exhibit 77.)

Q. Have you got your books here?—A. The books were examined by an accountant. They are in the city.

Mr. PERRON.—They have been kept by Mr. Duff. I am sorry to say he is not here to-day.

By Hon. Mr. Cassels :

Q. What about that item of \$600?—A. It is just a proportion, your honour.

By Mr. Perron :

Q. I wanted to ask a question on the \$600. I do not understand it.—A. That is no charge; that is just an estimate of a proportion of the charges. Mr. Coghlin spent a great deal of his time in buying.

By Hon. Mr. Cassels :

Q. You charge \$600?—A. I just made an estimate.

Q. Did Mr. Coghlin go to England on this business only?—A. On this business principally.

Q. How did he spend the \$600?—A. He was quite a few weeks, I might say months in the business.

Q. This particular business of buying this quantity of silver?—A. Well, your lordship, he had to go across, but he went to three or four places outside of the ordinary places he would go to.

Q. But he has charged altogether for expenses a large sum, of which \$600 is only proportionate part?—A. That is an estimate of my own entirely.

Q. What?—A. \$1,442.

Q. How long was he away?—A. I should say three or four months, probably not that long, three months.

Q. What is the \$1,400 for?—A. Business expenses.

Q. His own business?—A. Yes.

By Mr. Perron :

Q. Do I understand that the total of his expenses was \$1,442.65?—A. That is what I made up.

Q. And out of this \$1,442 you charge \$600 to the department?—A. Yes, sir.

Hon. Mr. CASSELS.—For buying what quantity of silver?

Mr. PERRON.—What is the total, \$1,646, what is the amount paid?

By Hon. Mr. Cassels :

Q. The first figure on top?—A. \$1,646.

Q. Is not that including freight and so on?—A. No.

Mr. PERRON.—This is the cost of the purchase in England.

By Hon. Mr. Cassels :

Q. He purchased \$1,646 worth of silver and he charges \$600 for that?—A. I just put that as an estimate, that is not the actual figures, I left that for yourself.

Q. You put a profit of \$700 into his own pocket and charge \$600 travelling and expenses to the government?—A. Well, I don't think it is necessary we should pay it

out of our own pocket your lordship for his going over there and spending time and buying these things.

Q. I do not see how he spent \$600 worth of time buying that quantity of silver.—
A. Change it to \$500 or \$400.

Q. No, we take your figures as they are.

By Mr. Perron:

Q. His lordship wants to get at the figures. Don't you think the \$600 there for buying \$1,642 worth of silver is very high?—A. No, considering the distance. If you had sent a man over to buy it you would have had to pay \$1,000 to \$1,500 to buy it and he might have gone on some other purchase.

Q. It was not necessary to go over and buy this silver?—A. Well, it is if you want to see the original articles and pick them out.

Q. Where was it bought from?—A. They were bought in Stoke-on-Trent.

Q. Where?—A. Stoke-on-Trent.

Q. Oh yes.—A. Birmingham, Sheffield.

Q. I suppose your father had to make a couple of trips?—A. I don't know.

Q. A trip there would cost how much?—A. I couldn't tell you that.

Q. About \$25 or \$30 a trip?—A. It might.

Q. \$40 at the utmost?—A. That I could not say.

Q. And then how much time would be expended?—A. It might be three or four days each trip.

Hon. Mr. CASSELS.—I do not understand the other item. He deducts \$600 from the total of what?

Mr. PERRON.—He charges the department \$600 out of \$1,400.

By Hon. Mr. Cassels:

Q. Very well. Now, why do you charge your father with \$800 for the trip?—A. Well, it is his own proportion.

Q. What was he doing, over on his own business?—A. Yes, on some other items.

Q. What kind of business?—A. He goes over nearly every year.

Q. On his own business?—A. Yes, buying.

Q. He went over on this particular business?—A. Partly.

Q. Throwing the government work in and therefore deducting \$600?—A. He has not deducted anything. that is merely a memo. I drew up, and at the time I didn't think he had anything important to take him across.

Q. It seems to me it must have been pretty important if he charges himself \$800 odd?—A. That is the actual amount paid out to him.

Q. That would keep him there for some months?—A. He had to pay \$100 each way.

Q. That is \$200?—A. What would he pay for hotel expenses?—I don't know.

Q. I know pretty well. I suppose he could live pretty well for \$5 a day. Take \$200 from \$600, that leaves him \$400. At \$5 a day he would have 80 days, nearly three months, to buy \$1,600 worth of silverware. Does it not strike you as a little absurd?—A. I don't know what the travelling expenses are. They are pretty expensive, you have to pay there a great deal more than in this country.

Q. I quite understand that.

By Mr. Perron:

Q. Now, what about the duty and freight. I suppose this duty is right? Have you the voucher?—A. I showed Mr. Duff all those papers.

Q. Has he the vouchers?—A. He has the vouchers for every item.

Mr. WATSON.—I ask my learned friend if he will allow me to put a few questions just following that up, as I examined his father.

By Mr. Watson:

Q. Mr. Coghlin senior is out of the country, I believe?—A. Yes.

Mr. PERRON.—He has stated that.

Mr. WATSON.—That is the reason he was examined fully at Ottawa before we came here to allow him to go away.

By Mr. Watson:

Q. Have you any personal knowledge as to the giving of this order to your father to the firm?—A. No, sir, I have no personal knowledge. I remember seeing the memo. authorizing him to go and buy the goods.

Q. Do you mean authorizing him to go—A. To go and buy it.

Q. To go to England to buy it?—A. The goods.

Q. And the total price of the goods was about \$3,000?—A. \$3,400.

Q. Well, were they of any particularly special value or special character?—A. I can't understand.

Q. Why could not the goods have been got here in Montreal, this is a large city?

A. I suppose you would have to pay a considerably higher sum.

Q. Why?—A. I don't think you could buy the full line they wanted.

Q. This was silverware for the furnishing of steamers?—A. Yes.

Q. Well, are not purchases of that kind usually made here at home?—A. They could be.

Q. Could be?—A. Yes.

Q. Do you know any reason why they were not on that occasion?—A. Well, I can't know why they would not. They might buy them here and pay higher figures.

Q. Why do you say higher figures?—A. Because I know from the prices charged.

Q. How much higher?—A. Anywhere up from 25 to 50 per cent.

Q. 25 to 50 per cent?—A. Higher prices.

Q. Do you know that of your own personal knowledge, that the same goods could not have been bought here for less than an addition of more than 25 per cent?—A. I have not actually made a price on it, but I know from personal experience what you can buy goods for in the city, silverware, cutlery and china.

Q. Yes, I suppose it depends on what kind of bargain you make?—A. You cannot induce a man to get goods here and go down on his price.

Q. Were these solid?—A. No.

Q. Plated?—A. Plated.

Q. You can get plated goods anywhere?—A. I don't think anywhere. You can get them several places.

Q. A good many places I mean by that?—A. Yes.

Q. Why not go somewhere over in New York or New Jersey and get them there and pay duty on them, would not that be the cheapest way?—A. You would pay higher figures. We have sold those goods here for 42 years and have been getting higher prices than on that bill.

Q. Before that?—A. Before that. Mr. Coghlin has represented those firms 42 years—not 42 years, because recently he has not represented them.

Q. The same class of goods were sold by your firm before that time?—A. At higher prices.

Q. Higher prices than what?—A. Than those sold to the department.

Q. At higher prices than received from the department?—A. Yes.

Q. You mean including what was refused?—A. The actual prices we billed them in the first place.

Q. Do you say so?—A. Yes.

Q. Have you shown to Mr. Duff your books for the purpose of making any comparison on that point?—A. No, I did not show him, he did not ask me.

Q. I should think that ought to be done, especially in view of what you say. Now, you say you were selling the same class of goods before that at prices higher than the department was billed for these?—A. Yes.

Q. What about since, you never sold any since?—A. We are not selling that line of goods.

Q. That is an end of the purchases from your house since that refund?—A. No; we have been going out of the business gradually for a long time.

Q. You have?—A. Yes.

Q. Your statement of the refund is manifestly very unsatisfactory. You will appreciate that I think?—A. Well, I don't see that. If I didn't put down those travelling expenses we would show a loss on that statement, because that statement shows a loss of over \$400. Take \$400 from the \$600, that leaves \$200 for the actual tickets. You have there the cost price, and the partner should surely not be giving away goods at cost price.

Q. But tell me this, why the necessity of your father going over there? He had been buying this class of goods for 40 odd years and should know how to give an order in writing?—A. We could give an order in writing, but patterns change all the time, and we are not in touch as we have been for the last ten years.

Q. But these were not presents to the King or Queen?—A. They were not. The patterns change completely. They would not take an order in that shape.

Q. They would not? I would like to see the company that would not take that order in any shape they could get it?—A. The order is very small in glassware and cutlery. A firm would not look at that order.

Q. \$3,000?—A. \$3,000? It is \$1,600.

Q. Well, \$1,600?—A. And they are distributed amongst four firms, one firm \$100, and every one, every piece branded with a coat of arms.

Q. Well, they charge for that, of course?—A. They would not take the order.

Q. They would not take the order, you say?—A. No.

Q. I see. Your house apparently was glad enough to take the order originally?—A. We took it on those terms. We would not think of taking it on a commission basis, we would not think of it.

Q. Then, these accounts that were presented afterwards to the department show upon their face, it is written there: 'Commission 5 per cent,' and that is upon all of them. Whose handwriting is that, 'Commission 5 per cent'?—A. That is my own.

Q. That is your own?—A. Yes.

Q. Well, you are just the man who knows all about it. Now did you happen to write that there?—A. I don't remember. Mr. Coghlin says it was not with his authority.

Q. But you would not go and write anything there without thinking what you were doing. How did you happen to put that there, 'Commission 5 per cent'?—A. I don't remember why it was put there.

Q. Eh?—A. I don't remember why it was put there. These were not sold on those terms.

Q. It must have been under some instructions from some one. Of course, that commission of 5 per cent would necessarily carry with it that you were buying the goods solely as commission agents and upon a commission basis, and there would be no other profit. That is right, if you are entitled to 5 per cent commission you are not entitled to any other profit?—A. Yes.

Q. That is correct?—A. That is right.

Q. Then this account was sent in by your firm in the first place, as I understand it, adding your profits or adding to the prices that you paid and also adding the 5 per cent?—A. Yes.

Q. Now, that was grossly irregular, was it not?—A. Because in that case we should have charged all the items of expense and then put on the 5 per cent.

Q. You should have charged the goods at the price you paid for them?—A. And put in the different items of expense and Mr. Coghlin's expenses.

Q. If that was justified. I am not assenting at all that he was right in charging travelling expenses.—A. We are not giving away expenses.

Q. That was your line of business. Your father was there on other business. A young gentleman of capacity representing a large house of business as you do, how do you account for making up a statement of that kind, adding your profit and, in addition adding your profit, charging a commission on the whole, including a commission on the profits?—A. I don't remember why it was put in there.

Q. Eh?—A. I don't remember why it was put in there.

Q. As I say, it is grossly irregular, that is manifest, you recognize that?—A. Yes, it should not have been.

Q. You do not need to apologize very much for making that refund, I should think?

A. We made the first refund voluntarily I think you will find, Mr. Watson.

Q. Well, you made it in the face of a statement like that, '5 per cent commission.'

A. Mr. Coghlin senior authorized it, and in fact ordered it.

Q. Yes. You do not make mistakes in your house, business mistakes, you pride yourself on your business accuracy, don't you?—A. We do.

Q. How can you account for making a mistake like that?—A. I cannot explain why that should be there.

Q. It is manifestly done on purpose?—A. No, I don't think so. I don't think there was any intention to put on that. The item was so small it would be very foolish to make an unfair item like that. For an amount of \$160 or something of that nature you would not certainly get ourselves in trouble with the department over that charge.

Q. If you will pardon me for saying so, not if you thought you would be found out.—A. \$160 is a very small sum to make any wrong statement about.

Q. The thing cannot be explained in any business way. I do not see you can explain it in any way.—A. I do not see it appears on every item.

Q. 5 per cent on every account and in addition added profits to each item; that is cable. Now, tell me this, how much profit have you added for yourselves over and above the purchasing price. You purchased the goods at particular prices?—A. I made up an estimate here of the actual profit above the value, 22 per cent. Out of that there are office expenses, which should run to 10 per cent, and we had to wait five or six months for payment, the interest on which is equal to three per cent, which brings it down to 5 or 6 per cent.

Q. That is accounting pretty fine in your own favour?—A. We have to account pretty fine in these days, we have to pay them.

Q. You seem to have prospered pretty well?—A. We have made a little money.

Q. Well, tell me this. You say now that your profit as shown on these accounts made up was in the neighbourhood of 20 per cent?—A. 20 per cent.

Q. Then you have added on commission besides that?—A. According to the statement.

Q. Now then in selling those goods in the ordinary course in your warehouse or mail house—do you sell retail?—A. We have no retail house.

Q. Wholesale altogether?—A. Wholesale.

Q. In selling them in the ordinary course to other purchasers or customers what is your average profit?—A. About 33 per cent.

Q. What?—A. About 33 per cent.

Q. 33 per cent?—A. We are used to charging 33 per cent.

Q. Wholesale?—A. Wholesale profit.

Q. My stars! Is there anybody else in the business here?—A. I don't know.

Q. 33 per cent. That is a pretty good round profit. Would you like some more partners?—A. We would like to with capital.

Q. I am afraid we have not any capital to put in. 33 per cent wholesale. That is pretty good. Do you mean to say at the time they were made in 1905 that in the ordinary course of your business you were getting 33 per cent profit in the purchase and sale of similar goods?—A. In the purchase and sale of similar goods. I don't think we were selling very much silverware in 1905, a very little. We were selling in 1902 and 1903.

Q. And getting that much profit?—A. And getting that much profit.

Q. 33 per cent?—A. About 33 per cent. I should say up to 33 per cent. Sometimes it might be a little less, 25 per cent.

Q. Is this percentage you speak of net or gross?—A. That is net. No, that is on the actual value of the goods, that does not include any expenses, office expenses.

Q. That is gross profit?—A. Off that you have got to deduct office expenses.

Q. I know. That is what distinguishes gross from net profit. Now, you are a business man. What profits do other people make in similar goods?—A. I think a good deal larger.

Q. What place are you speaking of, Montreal, London or where?—A. Montreal and Canada generally.

Q. Other people make larger profits in that line?—A. I think they do.

Q. Many such?—A. I hope so.

Q. I see. How many others are there in the same line of business here in Montreal?—A. Oh, hardware and general, there are a great number.

Q. But is this in the line of hardware, this plated silver?—A. That is rated hardware.

Q. You think 33 per cent modest as a matter of profit for the hardware merchants in Montreal?—A. Remember, that is not in every class of goods. As I gave evidence this morning, iron or anything like that goes down very close.

Q. I am speaking of this class of goods?—A. Yes, this class of goods.

Q. Then do you know whether or not an arrangement or understanding was made at the time the order was given as to the cost?—A. I don't think so.

Q. Then before you made the refund what other payments did you make on account of this transaction, on account of the sale of these goods, what else was charged up against these goods?—A. I don't understand.

Q. Don't you? Then I will have to make it more plain. Before you made the refund you had a handsome profit. Out of that profit what deductions had to be made for business purposes?—A. I would say 10 per cent.

Q. You had to make?—A. We figured at 10 per cent.

Q. 10 per cent above the cost. I am not speaking about that. Who was getting commission?—A. Nobody got any commission.

Q. What?—A. We don't give commissions.

Q. But on this transaction, this special transaction, who got it?—A. Nobody got any commission.

Q. How do you know?—A. Because I know we didn't give commissions to anybody.

Q. Ever pay a commission?—A. We never pay commission.

Q. What other name do you call it, is there another name?—A. No.

Q. Allowance, percentage, discount?—A. No discount whatever.

Q. Rake-off?—A. Nor rake-off.

Q. Did any one apply for any such thing in connection with the department directly or indirectly?—A. No one applied for a rake-off or for anything.

Q. Was any allowance or deduction made in favour of anybody?—A. No allowance or deduction was made. The goods were paid *in toto*.

Q. Did any individual obtain any personal gain or advantage in connection with the transaction excepting yourselves?—A. Not to my knowledge at all, no one ever got any gain whatever.

Q. Who suggested to you making the account that way, did that come from the Deputy Minister?—A. I don't think so.

Q. You don't think so?—A. No.

Q. Have you got your letter book?—A. Yes.

Q. I would like to see the letters that you wrote?—A. There are no letters in connection with that whatever.

Q. Sending the accounts?—A. Sending the accounts. We just sent in the invoices only.

Q. Were there any letters?—A. No letters at all.

Q. Quite sure?—A. There were letters pressing for the account four or five months afterwards.

Q. But at the time the account was sent in?—A. No letters.

Q. No letters?—A. No letters. We just furnished the invoices, and if they were open to dispute, if anybody took any exception to them, they could take it.

Q. That you say is the position?—A. That is the position.

Q. And it is no doubt by reason of these irregularities appearing on the face of the account that your father very gladly made the refund and tried to close it up?—A. No, sir, I don't believe he did.

Q. Well, the facts will speak for themselves.

By Hon. Mr. Cassels :

Q. I would like some information from you. When was this statement, Exhibit 77 made?—A. I made the statement just quite recently, your lordship.

Q. Now the total is \$1,442 and you take \$200 for the voyage. That means at \$5 a day, eight months in England?—A. Yes, sir.

Q. You have your books here showing the other purchases Mr. Coghlin made during that trip?—A. He did not make any purchases.

Q. Or orders?—A. He did not make any payments.

Q. What was he doing all that eight months?—A. He takes the trip as well for his own—

Q. Amusement?—A. Amusement.

Q. Was he buying silver on commission?—A. No, not on commission.

Q. Why did he charge this \$600?—A. He does not charge that.

Q. Why did you charge it?—A. I meant to put an estimate on the portion of time he was engaged in transacting the business.

By Mr. Watson :

Q. That was just an arbitrary apportionment by you?—A. Yes.

By Hon. Mr. Cassels :

Q. Who paid the other charges, the duties and freight?—A. We paid them all here.

Q. You do not charge profits on those?—A. There are no profits shown there. Those bills were all shown to Mr. Duff and verified.

Q. What is the nature of your business, do you manufacture here at all?—A. We manufacture as well as sell hardware. We are going more and more into manufacturing and less into hardware.

Q. At this time did you import manufactured goods from the Old Country?—A. We were importing as well, we do a lot of importing.

Q. Manufactured goods for your own business?—A. For sale.

Q. And you were importing at this particular time?—A. Yes, your lordship.

Q. So you think it is right to charge \$600 for the skill exercised in purchasing these plated goods?—A. Yes, your lordship. That \$600 does not include his time. His time is worth something to the firm.

Q. Well, he was over there on a trip.—A. But if he goes out of his way and spends two or three weeks longer over it, I suppose he is entitled to time. This is only an estimate, it is no evidence on his part.

Q. This was figured out by yourself?—A. Yes, sir.

By Mr. Watson :

Q. Just your own idea apparently?—A. Yes.

By Hon. Mr. Cassels :

Q. Your own idea only, not your father's?—A. Yes.

Q. And this statement was made up to justify the claim for refund?—A. Yes, sir.

Q. That is your own view about it.

Hon. Mr. CASSELS.—Is that all.

Mr. WATSON.—I think that is all, Mr. Coghlin. Mr. Duff will give some evidence about it, my lord, with regard to his examination of the books, but apart from that Mr. Coghlin senior has been examined very fully before the Public Accounts Committee. It practically leaves the matter in the same condition it was before.

Hon. Mr. CASSELS.—This statement seems to make it worse.

Mr. WATSON.—Yes. That is his own idea, and he has mixed it up more than ever by making up that paper, so it just leads to confusion. However, the senior member is away. Your lordship will recollect he said he was going away and he made his own explanation or statement of it, which, to my mind, with all respect to the young gentleman, was more satisfactory than the son's in a way, from a business standpoint. However, we have had the whole of it practically. Anyway, we know what is in it, we know the refund was made.

I am disappointed in a few witnesses. We might go on with the Boucher matter, but I think perhaps it will facilitate if we leave it open until the morning, my lord. Then the Merwin matter and the Brooks matter are still standing. The Sorel witnesses were to have been here at luncheon time, but they missed their train and were not able to get here. On the whole perhaps it will facilitate—we have had a pretty good day—if your lordship will rise now.

Hon. Mr. CASSELS.—Then how many witnesses are you likely to have on Friday and Saturday?

Mr. WATSON.—A number of witnesses from Sorel, eight or ten, perhaps a dozen. Then there is the Boucher matter, there are some things to inquire about in respect to that and there are some more Montreal matters, and there are also the Merwin and Brooks matters, which are important in themselves. The latter I should think, roughly speaking, would take two or three days.

Hon. Mr. CASSELS.—Will we get through by Saturday?

Mr. WATSON.—Oh no, my lord. I took it for granted your lordship would not sit on Saturday.

Hon. Mr. CASSELS.—Can you go on on Monday? I am very anxious to get this thing through.

Mr. WATSON.—I will discuss that with your lordship.

Hon. Mr. CASSELS.—I am sorry about to-morrow but I cannot help it.

Adjourned at 4 p.m. to 10:30 a.m. Friday, September 11.

Commission resumed at 10:30 a.m. Friday, September 11, 1908.

Mr. WATSON.—My lord, I wish to say I received a letter last evening from Mr. Merwin enclosing to me a telegram which he had just received with regard to Mr. Brooks in answer to the letter that he read and which was produced and filed. The telegram which is handed to me is dated New York, September 9th, and directed to George T. Merwin. It says:—'Mr. Brooks out of town. Message forwarded. H. H. Tilley.' That is very indefinite. That is the only further communication with regard to Mr. Brooks. It will be necessary, I think, for my learned friend and me to have some further consultation with regard to the methods and ways of obtaining the evidence of Mr. Brooks, and if your lordship pleases we would like the advantage of consultation with you in regard to the matter after to-day's work. It is important, if practicable, to obtain his attendance here, but there are difficulties in the way, which your lordship will appreciate, of enforcing his attendance.

Hon. Mr. CASSELS.—I thought he resided in Montreal?

Mr. WATSON.—Up to the present time he has been here for a little time each month, but he has no place of residence here; his domicile is in New York State.

Hon. Mr. CASSELS.—Is there any answer from those two American companies about reducing their books?

Mr. WATSON.—No answer so far. I think in addition we will communicate directly with these companies, my lord, pointing out to them the conditions and circumstances and asking their response, and we will also make personal efforts with Mr. Brooks to see if we cannot obtain his attendance and the production of the books by him and by the other parties so that we may have them here.

Hon. Mr. CASSELS.—It seems to me these companies ought to allow their books to be examined. It ought not to be a question of putting the law in force.

Mr. WATSON.—Yes, my lord. I hope we may have them here after your lordship resumes the sittings in Montreal.

Then your lordship has on two or three occasions, I think, referred to the correspondence in connection with the patronage list, and during your lordship's absence yesterday my learned friend and I made very special efforts and inquiries at Ottawa, and by special messenger we had further investigations made and we were able to get more accurate information. We find, as I before stated, that the whole correspondence is an immense volume of thousands and thousands of letters, perhaps 20,000 letters, bearing on the subject, but for your information especially there were taken at random letters during practically each year just to illustrate the nature of the correspondence that leads to the list and it explains fully how the names are put upon the list. As I understand, they are put upon the list at the instance of the parties so as to increase the custom of the house or firm and in addition to have what is thought the advantage of the custom of the Crown or the department. I believe it is considered to add some prestige to the standing and reputation of the firm, as well as of course increasing the custom.

I find, for instance, that in 1887—and the correspondence prior to that in the department your lordship will recollect as a matter of history was all destroyed in the fire that took place, so that there is really nothing beyond 1887 that is of record—I find they are all of this nature, and just as an illustration I run over a few of these to show your lordship the character of it. On May 13, 1887 a letter was directed to the Hon. George E. Foster, Minister of the Marine and Fisheries Department, saying :

‘My dear Mr. Foster,—I beg to recommend that the firm of Powers & Co., machinists, Halifax, should be put on the list and receive a share of the work to be done on all kinds of sheet metal work for steamships, lighthouses, &c. Yours faithfully, J. E. Kenny.’ A note at the end that says: ‘Put this on the list.’ Signed G. E. Foster. Underneath that, ‘Done, and letter written to Mr. Kenny.’

Then again another letter from Charlottetown, P.E.I., on the 16th of January, 1887, directed to Mr. Foster: ‘I have to acknowledge your kind note of 15th ultimo and beg to say Mr. Lord has not carried out your instructions, nor for some reason best known to himself will he do so without a peremptory order, as you will see by reference to the December invoices for supplies to the department here which, I have reason to believe, are very large. I regret to take up one moment of your valuable time, knowing it is occupied with much more momentous matters looking towards Washington, but to the party interests here it is of some little importance. I am, Sir, yours respectfully, W. E. Dawson.’ Then the note to that is, ‘Ask Mr. Lord if he has followed out the minister's instructions as to patronage and why Mr. Dawson has not yet received any order.’

Then again a letter of March 7, 1892, saying, ‘Sir Adolphe Caron recommends the name of Mr. Samuel J. Shaw, hardware merchant, Quebec, to be placed on the patronage list of the department.’ Signed C. H. Tupper, who was then Minister of Marine and Fisheries. Underneath that, ‘Inform agent,’ and signed by the Deputy Minister.

Then on March 8, 1892 a letter to Mr. Gregory ‘I have to instruct you to place the name of Mr. S. J. Shaw, hardware merchant of Quebec, on the list of those entitled to receive patronage of the department.’ That is signed, Wm. Smith, Deputy Minister.

Then in May, 1892, Mr. H. F. McDougall, M.P., recommends that the North Sydney *Herald* received such advertisements of the department as concern Cape Breton Island, Antigonish and Guysboro'. Signed C. H. Tupper. The note to that is, 'Mr. Alexander, keep this in mind. Wm. Smith, Deputy Minister.' Then again: 'Note the name of J. K. Blenkinsop & Co., engineers and machinists, Pictou, N.S., for share of work in their line required by the department, such as repairs to the *Stanley* or other vessels of the department, repairs to fog alarms, &c., C. H. Tupper.'

They run along in that way. Then on March 1, 1893 a letter to the Hon. C. H. Tupper: 'I understand that at different times the Marine Department in the maritime provinces are purchasers of iron bedsteads, mattresses and so on for marine purposes. The firm of Hutchings & Co., St. John, are manufacturers of these articles. They are a reliable firm and give great satisfaction, and their goods have several times been bought for your department through other firms. They are also supporters of our party, and you will oblige me very much by instructing your agent to purchase such articles as are in their list in future from them. J. D. Hazen.' And then 'Mr. Hazen is informed that he will be borne in mind and is on file when articles in their line are required by the department.'

Then again Mr. R. A. Angers writes on January 26, 1895, to the Hon. John Costigan saying: 'My dear Colleague,—I beg to recommend Mr. Octave Plante, tinsmith, 160 St. John street, Quebec, as worthy of getting a portion of the patronage of the Marine Department at Quebec. He has always been an ardent supporter of the party. That is answered by him saying: 'That shall be done.'

Then on again to 1900, February 6, a memorandum for the deputy: 'Please see that the names of Messrs. Edward Kavanagh & Co., Montreal, are put on the list for patronage in the district of Montreal.' That is signed by L. H. Davies, the then minister.

Another letter in the same way is directed to him: 'Will you please put on your patronage list the name of Mr. L. P. Gringras of Quebec. He is agent for disinfectants and able to furnish to the government any kind of things needed at Quebec by the employees of the government.' Sir Louis Davies directs that shall be done.

Then on January 4, 1901, a memorandum from the Deputy Minister says: 'The Minister (Sir Louis Davies) desires that the patronage for the county of Montmorency be given to the member representing that county in the local House. The Hon. Fitzpatrick will send over the name and address later.'

Then in 1903, Mr. Préfontaine makes a memorandum: 'Please place on the patronage list of this department the name of J. A. Denis, painter and decorator, 236 St. Lawrence street, Montreal.' To that is added, 'Notified,' and signed by Mr. Stumbles.

Then in 1907, just following the same line, a memo. for the Deputy Minister: 'Please have placed on the patronage list of the department at Quebec the name of the Canadian Oil Company. L. P. Brodeur.'

The whole mass of correspondence is made up of that character of communication.

Hon. Mr. CASSELS.—Mr. Watson, the way that occurs to me is this: I am here investigating the charges for the years 1904-5, 1905-6, 1906-7 and 1907-8. Now, what possible bearing can letters have recommending names to the list of patronage prior to those years?

Mr. WATSON.—The whole patronage system, of course, is involved in this, and it carries backwards and forwards. It has been part of the system of the different governments and departments apparently.

Hon. Mr. CASSELS.—Supposing the system is vicious, supposing what Colonel Gourdeau says is correct, that during the last three years by virtue of the patronage list \$200,000 of the country's money has been given away by purchasing retail instead of wholesale, if you assume that statement is correct—I am not saying at present

that it may not be explainable, but that is the position—what possible bearing can it have that previous parties did the same thing? Would you contend it is correct in the four years we are investigating because it was followed by the government's predecessors?

Mr. WATSON.—No, my lord. Of course, it arises in this way: Your lordship thought, as I recollect, at the opening of the commission that the door should be opened as wide as practicable and necessary in order to fully sift these matters. Of course, the commission upon its face is to carry on an inquiry as to lack of conscience and dishonesty on the part of officials.

Hon. Mr. CASSELS.—Lack of conscience on the part of officials charged by Messrs. Fyshe and Bazin.

Mr. WATSON.—Yes.

Hon. Mr. CASSELS.—We started at the beginning to limit the investigation to four years. I was startled by Colonel Gourdeau's statement that by reason of this patronage list during three years \$200,000 had been given away that might have been saved. Now, the patronage list for these periods becomes very important, but supposing the system prevailed before, that cannot condone the continuance of it.

Mr. WATSON.—I quite appreciate, my lord, that it is apparently an evil which has existed during the last half a generation and has been carried on. Of course, the evidence that has been given shows, so far as we are pursuing it here that a great majority of the purchases have been at wholesale prices.

Hon. Mr. CASSELS.—So far as it appears in Montreal, but it may be different elsewhere.

Mr. WATSON.—I do not know about St. John, Halifax and other places.

Hon. Mr. CASSELS.—Colonel Gourdeau stated it has existed somewhere. Of course, I have too much confidence in you as counsel to think that you would give any political bias to the investigation.

Mr. WATSON.—Quite so. Well, my lord, when we get back to Ottawa in continuation of the investigation there we will have the whole of the correspondence before the court.

Hon. Mr. CASSELS.—It strikes me that when we get to Quebec the letters relating to the patronage list for the years we are investigating should be there.

Mr. WATSON.—Of course, we will have to make special efforts in regard to that. I have no doubt it will be found that the great mass of those letters are practically all of the same character as indicated in the letters I have given.

Hon. Mr. CASSELS.—Of course, it is very arduous work going through such a mass of papers.

Mr. WATSON.—It is very arduous, my lord.

Then with regard to the matter we were discussing in evidence on Wednesday afternoon, the evidence of Mr. Coghlin, Mr. Duff is here and I would like to call him.

J. M. M. DUFF, recalled.

By Mr. Watson:

Q. Mr. Duff, you are already sworn. Have you made an examination of the books of the firm of Coghlin & Son?—A. B. J. Coghlin & Co., yes.

Q. And in connection with that examination did you investigate the entries as to the sale by the firm of silverware for the two ships, *Montcalm* and *Champlain*?—A. I did.

Q. And as a result what did you find?—A. I saw the original invoices of the goods purchased, I verified the amount of duty and freight paid from vouchers, and I found the charges to the government, I verified the amount of that from the blue book, and the result is that I find after taking off the refund which Mr. Coghlin made the

firm received the sum of \$2,320.92 for the goods in question, and they cost them in actual cost laid down on the floor of their shop, \$2,043.89. Besides that \$2,043.89 there would be other expenses, such as freight to deliver the goods in Quebec and cartage and various things, small items.

By Hon. Mr. Cassels :

Q. What would that come to, just speaking roughly?—A. I could not tell your lordship, I did not take a memorandum of them there, but they would not be much. But in addition to all that there should be an addition to the cost of from 10 to 15 per cent for the running expenses of the business. The other day you had Mr. Wallberg examined and he said his cost was 10 per cent for his office expenses, which I consider low. Every merchant must have a certain expense account which at the end of the year he charges to profit and loss, that is the percentage greater or less to the whole turnover as the case may be.

By Mr. Watson :

Q. What was the percentage of profit in this transaction?—A. It looks to me as if they made no profit at all after giving back the \$1,100.

Q. After giving back \$1,100?—A. Yes.

Q. The \$1,100 would be about what profit?—A. The \$1,100 would be giving them about 40 per cent.

Q. 40 per cent?—A. Yes.

Q. That is a large profit?—A. Well, on some things it would be; not on that class of goods.

Q. Not on that class?—A. No, not extraordinary.

Q. Is it not?—A. No.

Q. Do you mean for wholesale? We are talking about wholesale prices?—A. Well, those goods were specially ordered, and Mr. Coghlin told me his father had to go to England—

Q. Never mind that. We have had his evidence.

By Hon. Mr. Cassels :

Q. Mr. Duff, we have had Mr. Coghlin's evidence.—A. He said his father had to go to England partly especially on account of these things. I think he goes on other questions, but certainly some one had to spend a good deal of time to give that order and see it was made with the monogram and marks and special things necessary. All that would be worth something.

Q. Could not he have got it done on this side of the Atlantic?—A. He could sir, but it would take longer and might result in being very unsatisfactory.

Q. What is the nature of the silverware they were getting, do you know?—A. I have not a detail of it—well, I have a variety of things, I have a detail of it here, entree dishes, salad dishes—

Q. Do not go so fast.—A. Tableware.

Q. What is the nature of the decoration, the monograms and so on?—A. I cannot tell you, I did not see it.

Q. Well, how did you know it was necessary to go to England?—A. I don't say it was absolutely necessary, but I do believe it was better to go, because if the order was sent from here and any little mistake crept in there would be nobody to correct it. The things would come here wrong and they would have to be destroyed.

Q. You put down 10 per cent for office expenses?—A. I consider that low.

Q. Wait a moment. You do not—A. I consider that low expenses for him.

Q. You do not listen to my question.—A. I beg your pardon, I will try and listen, sir.

Q. A merchant in his position here might order a great quantity of goods, say for the fall trade. Now, he orders them himself, he takes the risk himself, he takes the risk of getting rid of them, and he is entitled to his profit. But that same merchant

making a special order for a client or a customer, is the position the same? Is he entitled to add on his office expenses and everything to that?—A. Oh, yes, he would. I mean to say, your lordship, that in every business the clerks' salaries and rents and things like that form a total which is a percentage more or less upon the whole turnover of the year, and this would be part of the turnover.

Q. I understand that. According to this evidence this was not a part of the turnover; it was a special order given by the Marine Department and filled by Mr. Coghlin without any risk on his own part at all?—A. Certainly, there was no risk about being paid, but there was a good deal of extra work.

Q. However, that is your view?—A. Yes. My training always has been for the last 50 years that on a special order one ought to pay a special price.

By Mr. Watson :

Q. I see. Then how do you account, Mr. Duff, for the refund under those circumstances?—A. I have no idea of it at all. I could not find any memorandum or trace of how it was made up at all.

Q. Following upon that refund, after the refund is made what is the financial result?—A. Well, I think the government got the goods at less than they cost them.

Q. Then is there any explanation in the books as to why the invoice upon its face refers to 5 per cent commission?—A. No.

Q. There is nothing in the books about 5 per cent commission?—A. No; except I looked in the books and found several other transactions on which the same 5 per cent had been charged.

Q. Other transactions with whom?—A. With the government, the *Lady Laurier*, I think, and another ship were furnished somewhat similarly and the 5 per cent charged in those cases. I do not know why they did it.

Q. Do you mean it was charged in addition to the profit?—A. It was added to the foot of the invoice.

Q. Do you mean the profits were added first and then the 5 per cent commission afterwards?—A. No, it is not handled that way. The goods were put in charged at certain prices.

Q. Yes—A. The prices seem to be an advance in each case on what they cost. There is no mention of profit in the invoice.

Q. Of course not.—A. Then at the foot of the invoice is, 'Commission 5 per cent'. The *Champlain* and *Montcalm* came to \$39.02. If I had been making that invoice I would not have put on that \$39.02 at all.

Q. It seems to be recognized a seller cannot get his profit or commission as well, that is not the ordinary course of business, is it?—A. No. Now, there is an invoice on which there is a discount of 5 per cent off.

Q. Well, I want to know just the result of your examination?—A. I think the putting on of 5 per cent was irregular, unless there was some arrangement for the purpose.

By Hon. Mr. Cassels :

Q. In estimating this profit do you allow the profit on the Custom House dues paid?—A. Well, in estimating the profit—

Q. I am asking you the question whether in your estimate you allow profit on the Custom House dues paid?—A. Not separately your lordship.

Q. Not separately?—A. I calculate the whole cost and show the profit on that should be so much, and of course the duty would come in.

Q. I am just asking the question whether in getting at your profit you have added customs dues, freight charges and other charges and given the profit on the total?—A. That is the way I have done.

Q. But on a special order why should you get a profit on the customs dues?—A. It appears to me if a man got a special order the proper way would be to agree upon prices here and then and buy as cheap as he could.

Q. This was a special order. Why get a profit on the customs dues?—A. I don't know. In a question of profit likely—

Q. It is not your business what was likely or unlikely. It is a question of fact I am telling you. The fact is this was a special order, and why a man should get a percentage of profit on moneys paid for customs dues, freight and different outgoings at present I fail to see.—A. Well, if we go into it very fine I think if he managed right he need not have paid any duty. The goods were coming for the government, and I think a prudent man should have seen to that.

Q. Quite so.

By Mr. Watson :

Q. At all events, that is the result of your examination of the books?—A. Yes.

By Hon. Mr. Cassels :

Q. Do you see anything in the books of a charge for \$600?—A. No, your lordship. Young Mr. Coghlin gave me a statement showing how he figured the cost of the goods, and then there was an item of \$600, but that was not in any of the books or anything sent to the government.

Q. That is what I wanted to know.

Mr. WATSON.—That will do, Mr. Duff. You can leave this. I will have this marked. (Statement made by witness as to Coghlin's profits marked Exhibit 78.)

Mr. WATSON.—My lord, I understand Mr. Lewis is here this morning and has requested my learned friend that he should be allowed to go into the witness box again. He was examined before. Mr. Lewis, will you step forward.

J. G. LEWIS, recalled.

By Mr. Watson :

Q. Mr. Lewis, I understand from my learned friend that knowledge of some anonymous communication came to you?—A. A mysterious letter.

Q. Yes.—A. It did not come to me.

Q. No, that came to your knowledge or you got some word of it?—A. I saw some word of it.

Q. What have you to say?—A. Well, if I received a letter of that kind, Mr. Watson, or your lordship, I would treat it with the contempt it deserves. There is no name, but as it may create some misunderstanding, I request to say a few words.

Q. Yes.—A. Since this inquiry began I have not been in the St. James Club for possibly three or four weeks, except in the ladies' department with my own friends.

Q. I see. I quite agree with you, Mr. Lewis, that no self-respecting person would send any such anonymous communication, and that it is quite a contemptible thing to address communications of that nature.—A. In my view it is the lowest kind of thing one can do, to send a letter of that kind.

Q. However, that may be, it has become more or less public and we have heard what has been said.

By Hon. Mr. Cassels :

Q. Did that letter come from the St. James Club? Have you been in Ottawa lately?—A. Have I? No, sir.

Mr. WATSON.—This is Montreal, my lord.

WITNESS.—I have not been in Ottawa in three months.

Q. You are speaking of the club here in Montreal—A. Yes. I have not discussed in any form or in any place or with any person the finding of this inquiry or made any criticism whatever, and as for the particular item mentioned in that letter there, I don't think I was ever taken for a fool. I would consider myself a fit subject for Longue Pointe if I talked that way.

By Mr. Watson :

Q. Did you sell a diving suit to the department ?—A. Yes.

Q. At what profit?—A. I sold, as far as my knowledge extends, over ten years or three suits at a profit ranging from 10 to 15 per cent. Those are goods not sold every day and carried by very few people. When the price goes up the selling price remains the same. I imagine 10 per cent. I made possibly 15 per cent on some of them. The total number of sales was not more than three or four at the most.

Q. I see. And the total would represent ?—A. Well, they range in cost from about \$300 up to about \$800 or \$900, according to the suit. If it is for very deep water they have to have very expensive apparatus, for shallow water they don't need much expensive apparatus.

Q. Mr. Lewis, you have already given your examination, we have already covered the ground as fully as possible ?—A. I think I answered all your questions.

Q. Have you anything further to add ?—A. Except in reference to this letter, if you want any further questions.

Q. Have you any qualification to make ?—A. The only thing I wanted to say was regard to that letter.

Hon. Mr. CASSELS.—Don't bother about the letter.

By Mr. Watson :

Q. Don't bother about the letter, only about the transaction.—A. I have got nothing further to add.

Q. And those transactions were covered fully in your previous examination. That all.

By Hon. Mr. Cassels :

Q. Do you recollect being examined before the Public Accounts Committee with regard to those diving suits ?—A. No.

LYON COHEN, SWORN,

By Mr. Watson :

Q. Mr. Cohen, you are a merchant here at Montreal ?—A. Yes.

Q. What is your line of business ?—A. I am engaged in a number of lines.

Q. Yes. Well then, let me make it concrete, direct. Have you had dealings with the Department of Marine and Fisheries ?—A. I have.

Q. During what period ?—A. Oh, for many years.

Q. And what lines or what class of goods have you sold to the department ?—A. I have sold to the department, L. Cohen & Son have sold to the department coal.

Q. I see. Have you sold any other class of goods than coal to the department ?—A. I am interested in other firms, that is all.

Q. In other firms. But I am speaking of Cohen & Co. ?—A. No. Cohen and Son.

Q. Cohen & Son, is it ? Then about what has been the amount of your sales, can you tell ?—A. Yes, sir.

Q. If you please then, do so ?—A. Marine and Fisheries Department for the years 1906 to 1908, \$210.36.

Q. Altogether during the whole two years ?—A. Yes.

Q. Oh, I thought you were reasonably large sellers to the department ?—A. Unfortunately we have not been favoured.

Q. That is for Cohen & Son ?—A. Yes.

Q. I see. Now, from what source did those orders reach you, from whom ?—A. Well, the coal that we supplied the Marine and Fisheries was supplied to a small survey boat, that comes down, that operates in the Lake of Two Mountains. We got an order for eight or ten tons of coal once in a while, altogether some three or four lots.

Q. And at what prices were those sold, I mean to say wholesale or retail prices ?
—A. At current market prices.

Q. Current market prices. Are you wholesale or retail dealers, or both ?—A. We are both.

Q. Both. Then did you sell to the department at retail prices or at wholesale prices ?—A. You can tell from the manner in which this particular coal was got that it could not be sold at what we would ordinarily call wholesale prices; that is to say, wholesale prices represent cargo lots, cargo lots in coal. Retail prices mean, as in this particular case, the coal had to be drawn and carted and put in bags and delivered on a little tug. There were certain expenses in connection with that which would take it out of the name of wholesale prices.

Q. As a fact it was sold at retail prices, not wholesale prices. That is a fact, is it ?
—A. Just as you say.

Q. No ; it is just as you say, Mr. Cohen ?—A. I am explaining what it means in cargo lots. Retail means in truck lots.

By Hon. Mr. Cassels :

Q. What do you mean, you sold to the government just as you would to me if I gave you an order ?—A. For the same quality.

Q. For the same quality done up in bags ?—A. Yes.

By Mr. Watson :

Q. Then what official or employee gave the order to you, can you tell ?—A. No.

Q. You cannot tell ?—A. I think they came from the captain or manager of the survey.

Q. Oh, I see, the captain or manager of the survey. And have you knowledge as to where the coal was delivered ?—A. Yes, it states here.

Q. Does it ?—A. Via the *Princess* to *Hudson* or *Rideau*.

Q. Is that taken from your books ?—A. Yes, I just took a copy from my books.

Q. Then did you get any advance on the ordinary retail prices for this ?—A. No.

Q. Quite sure ?—A. Positive.

Q. Then what else, did you sell anything else than coal, that is the firm of Cohen & Son ?—A. No.

Q. Have you any knowledge of any official or employee of the department or connected with the department or with the minister directly or indirectly getting any advantage from your firm in the delivery of coal or wood ?—A. None whatever.

Q. Did such a thing exist or occur ?—A. Not in our firm.

Q. Are you sure ?—A. Positive.

Q. Of course that is a very small transaction.

Hon. Mr. CASSELS.—A very small amount.

Mr. WATSON.—Yes, my lord.—A. I may say I have very often tendered on larger quantities of coal, but have not been a successful tenderer on account of my prices.

Q. Your prices being higher perhaps than others ?—A. Yes.

Q. Then you spoke of being interested in other firms or companies that made sales ?—A. Yes.

Q. That opens the way to evidence of such transactions ?—A. Yes.

Q. To what did you refer ?—A. I am a member of the firm of W. R. Cuthbert & Co., brass founders.

Q. Yes. And have they sold to the department ?—A. Yes sir.

Q. Have you personal knowledge of these transactions ?—A. Yes.

Q. And during what period have they sold ?—A. Five, six and seven.

Q. What was that, Mr. Cohen ?—A. During the years 5, 6 and 7, and I believe they have an account at the present time.

Q. To what extent were sales made ?—A. \$7,500.

Q. \$7,500 altogether ?—A. Yes.

Q. And the sales were of what class of goods, brass ?—A. Brass castings.

Q. Brass testings?—A. Castings.

Q. And delivered where?—A. At Sorel.

Q. After communication with whom, Mr. Desbarats?—A. Mr. Desbarats.

Q. And at what prices were these sold, wholesale or retail?—A. Brass castings, don't—the only way you can sell brass castings wholesale would be to have a special one of manufactured goods. Brass castings are things which are made to order from patterns supplied by an individual, a customer.

Q. Do you mean a special order and a special casting?—A. A special casting for each article. If I were supplying, for instance, globe valves or steam cocks they could be sold at a wholesale figure at a general price, but special orders for special castings made from patterns have got to have the price made on practically every article you get.

Q. I see. Then you mean these castings were made—A. To order.

Q. Not sold out of stock on hand?—A. No.

Q. Oh, I see. The distinction between wholesale and retail under those circumstances would, I assume, not apply.

By Hon. Mr. Cassels :

Q. Those are not either wholesale or retail?—A. No.

Q. But special goods?—A. Special goods.

By Mr. Watson :

Q. Specially manufactured. Then what profit did you have on those transactions?—A. We generally put 20 per cent gross profit on our sales, but that has to cover a great many contingencies in our business, for instance, loss of castings from a great many faults, wetness of sand and matters incidental to the business, as any one who is in the business will understand, with the result that in the year's transactions our trade concern there could pay a dividend for the capital invested of about 7 or 8 per cent. Now, you can deduct from that what profits we make.

Q. I see. A gross profit of about 20 per cent. The net profit would depend to some extent upon good management or poor management, economy or otherwise?—A. From accidents incidental to the business. The casting business is a very peculiar one in that respect. We may cast a very large casting, and through some unexpected accident we may lose it, and in that way lose several hundred dollars and have to recast it several times.

Q. Now, in respect to the transactions with that firm or company, what about commission to officials or employees in connection there with them, any improper conduct or acts of gain?—A. I can only say this. Our business has been with Mr. Desbarats. I consider him one of the most efficient men I have met with in that line, and if he had not a job in the department of Marine and Fisheries he could get one in the firm of W. R. Cuthbert & Co.

Q. I am afraid you will have him after an increase of salary one of these days.—A. He deserves it.

Q. Then what is the other house or firm you speak of?—A. That is all so far as the government is concerned.

Q. So far as the department is concerned?—A. The department.

Q. I see. That will do, thank you.

Mr. PERRON.—Mr. Crossman has been requested to bring some tickets here this morning for delivery of coal, my lord.

G. W. CROSSMAN, recalled.

By Mr. Perron :

Mr. PERRON.—Your lordship will recollect two small items which the witness could not remember where delivery had been made.

Q. Have you found out where those two small orders for coal were delivered ?—
A. Yes, I have.

Q. Let me see them, please ?—A. I have them here in rotation.

Q. What I want is about this dry dock order and this 243 or 223 Commission street order. The others I had at the time?—A. The first ticket—I have them in rotation.

Q. The dry dock, yes ?—A. Steamship *DeLévis*, 500 pounds stove coke, Captain Frenette.

Q. Now the next item ?—A. Is the dry dock again. This is signed by Isidore LaFleur.

Q. Who was I. LaFleur ?—A. I could not tell you whether he was captain or mate, or what he was.

Q. On board one of those ships ?—A. There is the date of the steamships. That is hard coal delivered direct.

Q. That is right. Next one ?—A. Marine and Fisheries, Isidore LaFleur.

Q. The same man ?—A. Yes.

Q. You do not know LaFleur ?—A. I have never seen him.

Q. One of the crew of the boat ?—A. I suppose. There is another one for him.

Q. This is also one on board one of the boats ?—A. Yes, sir.

Q. Are they all of the same class ?—A. They are all of the same class and they are all signed. I have the tickets here for the whole of them.

Q. Have you got Mr. Clement's name there ?—A. Yes, sir, I have.

Q. You keep those tickets. I do not want them. They are of no use. I will file Mr. Clement's account taken from the books.

(Marked Exhibit 79.)

Q. Have you got Mr. Boucher's account ?—A. Certainly, it is there. (Producing.)

Q. There are two ?—A. That is right, sir.

(Boucher's account marked Exhibit 80.)

Mr. WATSON.—Then, my lord, a number of witnesses are here from Sorel. We will proceed with them. The Mayor of Sorel.

Mr. PERRON.—He is leaving for Europe, and I want to give him a chance to go off if I can.

Hormisdas BEAULIEU, sworn.

By Mr. Perron :

Q. What is your occupation, Mr. Beaulieu ?

Hon. Mr. CASSELS.—Mr. Beaulieu, if at any time you cannot express yourself in English, just use French, but it is only cumbering the record to have two languages down.

WITNESS.—Thank you, your lordship.

By Mr. Perron :

Q. Mr. Beaulieu, what is your occupation ?—A. Bookkeeper.

Q. What firm are you connected with?—A. La Cie Pontbriand.

Q. Is it an incorporated company ?—A. Yes, sir.

Q. Who is president of the company ?—A. Mr. LeClaire.

Q. What is his first name ?—A. Bruno LeClaire.

Q. In what capacity are you employed by them ?—A. Secretary-treasurer.

Q. How many years have you been employed in this firm ?—A. Five years.

Q. Has the company been incorporated for five years now ?—A. For seven years.

Q. You were requested, or the company was requested, to have all their books and papers here, have you got them ?—A. I have part of the books concerning this inquest.

Q. Concerning the sales you made to the Department of Marine and Fisheries ?—A. Yes.

Q. Let me see those books, will you ? (Witness produces books.)

Q. Now, I want to refer to your sales to the Department of Marine and Fisheries for the years 1904-5, 1905-6 and 1906-7 ?—A. Here is the statement. There is 1904-5, 1905-6 (indicating).

Q. So looking through your books I see you sold to the department in 1904 \$185.49 ?—A. No.

Q. No. \$3,321.95, four orders ?—A. Yes, sir.

Q. In 1905, \$10,185.49. That would be seven orders ?—A. These are only the amounts.

Q. These are only the amounts ?—A. The invoices are here.

Q. What do those divers amounts cover, many orders, many sales, many transactions ?—A. Many transactions.

Q. And in 1906, \$26—is that it ? No, that is the total. What is it for 1906, \$506, and 1907 ?—A. \$4,714.

Q. Well, what have you been selling to the department ?—A. Engines and boilers and fittings.

Q. Engines and boilers and fittings ?—A. And castings.

Q. What is the business carried on by the company ?—A. Boiler and engine manufacture.

Q. Boiler and engine manufacture. For how long has this firm existed ?—A. This company was incorporated in 1900, but it was founded in 1856.

Q. Since 1856 have this company or the founders always carried on the business in Sorel ?—A. Yes, sir.

Q. Always the same kind of business ?—A. Yes, sir.

Q. Is it a large business ?—A. Quite a large business.

Q. What do you mean by quite a large business ? I do not suppose you want to disclose your figures, but about ?—A. It requires a large amount of capital to be invested to operate our company.

Q. What is your turnover about per annum ?—A. Some years the turnover is \$0,000, some others years only \$100,000. It depends completely on the repairs and new work we have to perform.

Q. Well, are you doing business with many people outside the department ?—A. Yes, sir.

Q. Tell me with whom your general dealings are outside the Department of Marine and Fisheries ?—A. We are dealing with the Richelieu.

Q. The Richelieu and Ontario Navigation Company ?—A. The Sincennes-McNugton line.

Q. And generally, the navigation lines on the river here ?—A. Nearly every company who owns boats.

Q. Well then, do I understand you have been for the years I have mentioned supplying pretty nearly almost all the fittings necessary for the boats of the government, the dredging fleet ?—A. No, sir.

Q. You have not ?—A. No.

Q. Who has ?—A. I cannot say.

Q. For how many years have you been dealing with the government department ?—A. To my knowledge since I have been employed by the Pontbriand Company.

Q. And that is ?—A. Five years.

Q. You have been there for only five years ?—A. Yes, sir.

Q. Are you alone in that line of business at Sorel ?—A. No, sir.

Q. Have you competitors ?—A. Yes.

Q. Who are they ?—A. Beauchelin & Co., and the lines of castings of the Parent factory, and the Richelieu Foundry Company.

Q. You have also several competitors in Sorel ?—A. Quite a lot.

Q. Who gave you those orders, where did you obtain those orders ?—A. Well, the greatest part of these orders were obtained through tenders.

Q. Through tenders ?—A. Yes.

Q. Oh, oh. Tenders were asked for and you tendered ?—A. Yes, sir.

Q. Were you the only tenderers ?—A. I don't think so, because many times we were refused contracts on account of our competitors being lower bidders than ourselves.

Q. Have you got some of those contracts?—A. Yes, sir.

Q. Let me see them. (Witness produces contracts.)

Q. Take the year 1904-5, for instance, you have a large amount in that year. I see you are exhibiting a contract of the 11th of January, 1905. Prior to signing this contract you had received a letter from the Deputy Minister, Colonel Gourdeau, reading as follows:—'January 11, 1905. Sir, referring to your tender for the construction and installation of a new boiler for the government steamer *Shamrock*, I have to inform you that the following telegram was sent to you yesterday:—"Your terms new boiler for steamer *Shamrock* accepted. Proceed with work. Am writing." The contract has been prepared in accordance with your tender of the 7th inst. for the sum of \$4,200 and sent to Mr. Alexis Rondeau, steamboat inspector, Sorel, P.Q., who will supervise the work on behalf of the department. Mr. Rondeau has been directed to have the papers signed by you and returned to this department for completion. It is very important that this work should be completed in accordance with the contract on or before the 1st of April next, and if the work is not completed on that date the department will be obliged to enforce the penalty clause in the contract, which provides for the payment of \$50 per day by the contractors for each and every day after the 1st of April next for non-completion, I am, sir, your obedient servant, (Signed) F. Gourdeau, Deputy Minister.' Now, do I understand that the orders for the foregoing years—this would be the first year with which this Commission is concerned—do I understand for the following years the same procedure was followed?—A. Yes, sir.

Q. Well now, I see the name of Mr. Rondeau mentioned here. Is he, or was he at the time an employee of the department of Marine and Fisheries?—A. Yes, he was steamboat inspector.

Q. For the department?—A. For the department.

Q. Is he still in the employ of the department?—A. No, he is dead.

Q. We won't go any further with him then. Now, outside of Mr. Rondeau, with whom had you dealings, I mean officials of the department of Marine and Fisheries?—A. Principally Mr. Desbarats.

Q. He was then the superintendent of the shipyards at Sorel?—A. Yes.

Q. You said principally?—A. Chiefly.

Q. Well, who else?—A. We had some contracts for the *Shamrock* and had to deal with Mr. Boucher.

Q. Mr. U. P. Boucher?—A. Mr. U. P. Boucher.

Q. In what year?—A. 1907.

Q. Last year?—A. Yes, sir.

Q. What was this contract for the *Shamrock*, will you tell me?—A. Putting up a new engine.

Q. The *Shamrock* is one of the government ships?—A. A government boat.

Q. What has Mr. Boucher got to do with it?—A. The *Shamrock* is the boat used for the buoy service.

Q. And you say last year you were under him or under his supervision when you installed the new engines?—A. He had the survey of the installation himself.

Q. How much commission did you pay to him?—A. Nothing, sir.

Q. Eh?—A. Nothing.

Q. Nothing at all?—A. Nothing at all, not a cent.

Q. Did you endorse notes for him?—A. No, sir.

Q. When I say you, I mean the company?—A. The company or myself.

Q. I want you to understand that when I speak of you I mean the company or you?—A. I am speaking for the company too.

Q. Mr. Pontbriand ?—A. Mr. Pontbriand is not with us.

Q. Not with you any more ?—A. No.

Q. Mr. LeClaire ?—A. Yes.

Q. Did Mr. LeClaire give him any commission ?—A. I don't know what Mr. LeClaire did.

Q. Have you any entries in your books which would show a commission paid to Bicher or anybody else —A. No, sir, no entry.

Q. Well, outside of Mr. Boucher and Mr. Desbarats did you have to deal with some other officials of the department ?—A. No, sir.

Q. You do not remember any one else ?—A. No, sir.

Q. In this department ?—A. No, sir.

Q. At Sorel or elsewhere ?—A. No, sir. Minor employees, clerks and so forth.

Q. Well now, Mr. Beaulieu, you live in Sorel, you reside there ?—A. Yes.

Q. Have you learned or have you heard it mentioned that commissions were paid around there to officials of the department ?—A. No, sir.

Q. Never heard of such a thing in Sorel ?—A. No, sir.

Q. Never heard it mentioned ?—A. It might be mentioned in the course of conversation, laughing or joking about these things.

Q. Joking or laughing have you heard of some one getting commissions in Sorel ?—A. No, sir.

Q. To your knowledge ?—A. To my knowledge, nothing of the sort.

Q. Have you heard of employees in Sorel getting commissions or a rake-off from the contractors ?—A. No, sir.

Q. There are many contractors for the government in Sorel ?—A. Yes, but I don't know them all.

Q. You don't know them all ?—A. No, sir.

Q. I see most of the correspondence here is signed by Mr. Desbarats ?—A. Yes, some by Mr. Boucher.

Q. They are all in the same line, tenders being accepted and contracts signed ?—A. Yes.

Q. Well, now, Mr. Beaulieu, how much profit did you make out of the department for those years I have been mentioning ?—A. I am not ready to tell.

Q. You cannot tell me ?—A. No, sir.

Q. Surely you can tell me the average ?—A. No. I can give you the average of our whole business, not of single jobs.

Q. Why ?—A. I cannot keep all these things in my mind.

Q. You have your books here ?—A. Yes, sir.

Q. Would they not show the profits ?—A. No.

Q. No ?—A. They do not show them.

Q. Why ?—A. Because it is all made at a specified price and we may get 20 per cent on one contract and on another lose 25 per cent.

Q. How is that ?—A. It depends completely on the engines and boilers and the trouble we have to install them.

Q. You have nothing to show about your work or profits ?—A. No, sir.

Q. Is it guess work you are doing when you tender ?—A. We are figuring.

Q. And ?—A. Sometimes we are in.

Q. Well now, you stated to me you had been dealing with the Richelieu and Ontario and the Sincennes-McNaughton line and other lines plying on the river here. Do you get from the government about 10 per cent more than you would get from the Richelieu and Ontario, the Sincennes-McNaughton and other lines ?—A. No, sir, I am pretty sure we got 10 per cent less.

Q. Then you got from the R. and O. and Sincennes-McNaughton and other lines ?—A. Yes, sir.

Q. How can you tell me that you got 10 per cent less from the government than from individuals in Sorel?—A. Because when dealing with the government we have many competitors.

Q. Well, when you are dealing with the R. and O. Navigation Company you have competitors there also, they ask for tenders, don't they?—A. Not always.

Q. The R. and O. do not always ask for tenders?—A. Not to my knowledge.

Q. And the Sincennes McNaughton Company?—A. No.

Q. So you have a chance sometimes to get jobs without tenders?—A. Yes, sir.

Q. That is the reason why you make a little more than with the government?—A. Yes, sir.

Q. Well, you have not stated to me yet what is about your rate of profit or percentage on the whole business. I should like to know that. I am not asking you for exact figures, but is it 15 or 18 per cent, I mean on the whole capital?—A. Our company paid a dividend of 4 per cent in eight years.

By Mr. Watson :

Q. 4 per cent a year?—A. No, no; 4 per cent in eight years.

Mr. PERRON.—I think we will let you go back to Sorel and let you make another 4 per cent for this year.

Hon. Mr. CASSELS.—Is that wholly 4 per cent on the government contracts?

Mr. WATSON.—How did you come out really on the government contracts?

By Mr. Perron :

Q. Are you making money or losing on the whole in your dealings with the government, take the three years I have mentioned to you?—A. On the sales we made a little profit, the regular sales, but on one contract for a boiler we lost money.

Q. What do you mean?—A. On the contract for a boiler on the *Shamrock* we lost money, about \$400. That contract and the last contract for the engine cleared about \$500.

Q. You were out of pocket?—A. No, we made about \$500.

Q. On the last one. So you must have made an average of about five, six, seven or eight per cent on the government contracts?—A. About 6 per cent.

Q. That is all right, we won't quarrel about that.

CHARLES OMER PARADIS, marchand, de Sorel, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron :

Q. Vous êtes, je crois, le maire de la cité de Sorel?—R. Non, je l'ai été pendant dix ans, mais j'ai résigné l'année passée.

Q. Vous l'avez été pendant dix ans?—R. Onze ans.

Q. Vous êtes marchand à Sorel?—R. Oui, monsieur, depuis trente et un ans.

Q. Quel genre d'affaires faites-vous?—R. Magasin départemental, marchandises sèches surtout: magasin à départements.

Q. Dois-je comprendre qu'en dehors de la marchandise sèche vous avez certaines autres branches que vous tenez?—R. Oui, monsieur.

Q. Veuillez, s'il vous plaît, nous dire quelles sont ces branches?—R. Tapis, prêt-à-porter, vaisselle, argenterie, meubles, ce sont les principales.

Q. Est-ce un magasin de gros que vous tenez ou un magasin de détail?—R. Nous avons deux départements. Notre principal commerce est le détail, mais nous fournissons à une quantité de marchands des campagnes avoisinantes, alors nous avons des prix spéciaux pour le gros.

Q. Alors vous avez des prix de gros et de détail?—R. Oui, monsieur.

Q. Avez-vous toujours fait affaires de cette façon-là?—R. Oui, monsieur, depuis une quinzaine d'années, je suppose.

Q. Je vous avais demandé, monsieur Paradis, nous avons demandé un récit de vos vres, les avez-vous?—R. Oui, monsieur; j'ai cru que ma mémoire suffirait pour renseigner la cour.

Q. Je comprends que vous avez fait affaires avec le gouvernement pendant les années mil neuf cent quatre-mil neuf cent cinq (1904-1905), mil neuf cent cinq-mil neuf cent six (1905-1906) et mil neuf cent six-mil neuf cent sept (1906-1907)?—R. Parfaitement.

Q. De grosses affaires?—R. Non, malheureusement.

Q. Voudriez-vous nous dire alors pour combien vous avez vendu en mil neuf cent quatre-mil neuf cent cinq (1904-1905)?—R. C'est de deux mille piastres (\$2,000) par année, environ.

Q. Pendant la période de temps que je viens de mentionner vous avez vendu pour une moyenne de deux mille piastres par année?—R. Oui, deux mille et quelques cents peut-être, mais autour de deux mille piastres.

Q. Quelles sont les marchandises que vous avez généralement vendues au gouvernement, au département?—R. Nous vendons principalement des marchandises, des cotonnades, naturellement on n'a pas beaucoup l'avantage de leur vendre des soieries ni du drap fin, nous leur vendons surtout des ducks pour couvrir les ponts des navires; nous vendons des draps, des cotons pour tous les lits, des couvertes, des essuie-mains, des toiles pour cuisine et nous leur vendons aussi dans le département de la vaisselle; l'appareil de cuisine et du prélatart aussi, ce sont les lignes, toutes ces lignes dans lesquelles malheureusement il y a peu de profit.

Q. Maintenant, monsieur Paradis, comment avez-vous obtenu ces ordres que vous avez livrés au département?—R. Je comprends qu'on les achète chez nous parce qu'on vend plus bas qu'ailleurs. A tous les ans, et durant l'année, nous recevons souvent des demandes de soumissions, alors il faut concourir dans les prix avec les grandes maisons de Montréal et il faut naturellement mettre nos prix, couper les prix dans les fractions pour pouvoir se procurer ces ventes-là. Par exemple, dans les marchandises de coton, les ducks que nous leur vendons, c'est une majeure partie de nos ventes, dans ces lignes-là nous avons, je suppose, un sou et demi ou deux sous par verge et il faut faire attention au quart de cent des fois pour avoir l'ordre. Naturellement que dans l'autres lignes de marchandises quand cela entre dans les petits détails, eh bien, on a un petit peu de profit, naturellement, mais la grosse des marchandises, la marchandise des ventes....

Q. Vous semblez dire, monsieur, sans l'indiquer que les ordres que vous avez obtenus du département ont toujours été après des demandes de soumissions?—R. Presque toujours, monsieur.

Q. Après des demandes de soumissions?—R. Oui, monsieur, les ordres importants.

Q. Et que vous étiez en compétition avec les grands marchands de Montréal?—R. Oui, monsieur; mais, c'est clair, je suis ici étonné de voir que vous êtes surpris.

Q. Et malgré cette compétition vous avez obtenu les ordres?—R. Oui, monsieur.

Q. Vous avez vendu meilleur marché que Morgan, que Carsley?—R. Parfaitement, monsieur.

Q. Alors, vous faites de l'importation vous-même?—R. Certainement.

Q. Vous êtes importateur comme ces maisons-là?—R. Oui, monsieur, parfaitement, je peux vendre comme eux; on a moins de dépenses qu'eux, on peut vendre meilleur marché.

Q. Parce que vous avez vendu meilleur marché vous avez obtenu les ordres?—R. Je vous assure qu'ils sont particuliers, ils coupent les cheveux en quatre.

Q. Alors c'est inutile de vous demander si vous avez jamais obtenu des prix de détail du département?—R. Bien, nous avons, oui, quand ils viennent par exemple, le printemps ils sont à gréer un bâtiment, ils veulent un morceau de prélat pour la cuisine, ou chambre de l'ingénieur, il faut trois, quatre verges, alors je vends comme à vous. Ou bien, s'ils veulent acheter un gobelet, ou une lampe de quinze centins, évidemment....

Q. Dans le cours de vos opérations commerciales avec le département de la Marine, quel est l'officier du département avec lequel vous avez eu le plus souvent affaire?—R. Bien, c'était monsieur Desbarats généralement, c'est lui qui signe les demandes de soumissions, et ensuite quand il s'agit de légers articles, eh bien, cela sera le capitaine d'un navire, ou bien le *waiter*, le *steward*.

Q. Cela pour les ventes de détail?—R. Oui, les petits articles. Mais les ventes principales sont surveillées par le bureau de Sorel principal et je vous assure que les prix sont bien surveillés, pour ce qui nous regarde nous autres.

Q. Dans le cours de vos opérations avez-vous payé des commissions à quelqu'un des officiers du département?—R. Non, monsieur, jamais; jamais on ne m'a rien demandé pour aucune vente que j'ai faite.

Q. N'avez-vous pas entendu dire que des commissions se payaient couramment à Sorel aux divers contracteurs du département?—R. Non, monsieur, je ne crois pas que cela se fasse, et je ne crois pas qu'ils aient la chance de faire la chose, parce que depuis les trente ans, c'est-à-dire depuis les quelques années surtout depuis mil huit cent quatre-vingt seize (1896) je suis la chose, depuis ce temps-là je vous assure que les chefs du département ont toujours porté la plus grande attention dans les achats, à ma connaissance.

Et le déposant ne dit rien de plus.

JOSEPH PRATTE, gérant temporaire de Cyrille Labelle et Cie, demeurant à Sorel, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron:

Q. Vous dites que vous n'êtes chez Cyrille Labelle et Cie que depuis un an?—R. J'agis comme gérant temporaire depuis un an; le propriétaire est malade, est absent.

Q. Qu'avez-vous à faire vous à l'emploi de Cyrille Labelle et Cie?—R. Je suis à son emploi.

Q. Depuis combien d'années?—R. Depuis sept ans à l'emploi de Cyrille Labelle et Cie, et les deux ensemble, avant c'était Cyrille Labelle seul. Je suis à la maison depuis vingt-neuf (29) ans.

Q. Depuis combien de temps la maison Cyrille Labelle existe-t-elle?—R. La maison Cyrille Labelle existe depuis trente-quatre (34) ans à peu près.

Q. Quel commerce cette maison fait-elle maintenant et faisait-elle dans le passé?—R. Commerce de ferronnerie, marine, épicerie, liqueurs.

Q. Ferronneries, effets de marine, épicerie et liqueurs?—R. Ferronneries, effets de marine, épicerie et liqueurs.

Q. Est-ce une maison de gros ou une maison de détail?—R. Nous faisons plus de gros que nous faisons de détail.

Q. Mais à qui vendez-vous, aux marchands de Sorel?—R. Non, dans la campagne.

Q. Aux marchands?—R. De la campagne.

Q. Dois-je comprendre qu'à Sorel il y a plusieurs marchands qui font du gros pour les marchands de campagne des environs comme cela?—R. Il y en a beaucoup.

Q. Combien êtes-vous?—R. Il y en a seulement deux qu'on considère.

Q. C. O. Paradis, vous-même?—R. C. O. Paradis, moi-même, et les autres en font un peu aussi. Nous faisons le commerce de grain aussi.

Q. Dans mil neuf cent quatre-mil neuf cent cinq (1904-1905), mil neuf cent cinq-mil neuf cent six (1905-1906), mil neuf cent six-mil neuf cent sept (1906-1907) avez-vous vendu au département de la Marine et des Pêcheries?—R. Oui, monsieur.

Q. Avez-vous apporté vos livres?—R. Non, j'ai apporté seulement les extraits.

Q. Les avez-vous avec vous ces extraits-là?—R. Oui, monsieur. Nous tenons cela en trois départements, parce que nous fournissons ce qui dépend de la *Shamrock*.

Q. Qu'est-ce que c'est cela?—R. C'est la barge qui voit aux bouées, la barge où est monsieur Boucher.

Q. Je tiens à connaître exactement ce qui se passe; vous dites que vous tenez ce en trois départements?—R. En trois.

Q. Un département pour la barge *Shamrock*?—R. La *Ste-Hélène*, la barge qui fournit le gaz aux bouées.

Q. Alors, vous tenez un compte spécial pour la *Shamrock*, la *Ste-Hélène*, l'*Alpha* et le *Lights* 1, 2, 3?—R. Tous ces comptes-là sont compris ensemble.

Q. Vous vendez alors aux employés du *Shamrock*, de la *Ste-Hélène*, de l'*Alpha* et aux employés des phares?—R. Nous recevons ces ordres-là du département; il y a monsieur Roy, monsieur Arcand, aujourd'hui c'est monsieur Bazinet, on recevait les ordres d'eux.

Q. Qu'est-ce qu'il fait monsieur Bazinet? Quelle est son occupation?—R. Il est employé à un des bureaux.

Q. De Sorel?—R. De Sorel.

Q. En quelle qualité, le savez-vous?—R. Je ne connais pas ses fonctions.

Q. Dans tous les cas dans le passé c'étaient les personnes que vous m'avez mentionnées qui vous donnaient les ordres?—R. Oui, monsieur.

Q. Et maintenant c'est monsieur Bazinet?—R. Je crois que c'est encore changé, c'est monsieur Facon, je crois.

Q. La *Ste-Hélène*, c'est encore une barge du département—R. Cela appartient au département.

Q. Qu'est-ce qu'elle fait?—R. C'est elle qui fournit le gaz aux bouées.

Q. Quel est le capitaine de cette barge-là?—R. C'est un monsieur Belliveau; il était dans le temps, je ne pourrais pas dire si c'est lui encore.

Q. L'*Alpha*?—R. C'était le capitaine Latour.

Q. Qu'est-ce qu'elle faisait? Quelle barge que c'était cela?—R. L'*Alpha* c'est un petit "tug".

Q. A quoi servait ce tug-là?—R. C'est monsieur Roy qui s'en servait.

Q. L'ancien surintendant?—R. Oui, monsieur.

Q. Maintenant quelles étaient les personnes en charge des phares 1, 2 et 3?—R. Je ne connais pas tous leurs noms; je connais le nom de monsieur Fiset seulement.

Q. Maintenant, quel est votre autre département?—R. Voici, le département qui comprend la construction des phares du lac Saint-Pierre et les phares à terre de Québec à Montréal, on tenait un compte séparément pour cela.

Q. C'est le département, vous dites, qui fait la construction des phares du lac Saint-Pierre?—R. C'est le département qui fait les phares du lac Saint-Pierre et les phares, les nouveaux qui ont été posés à terre.

Q. Ce n'est pas un ouvrage permanent cela?—R. Non.

Q. Ceci est de l'ouvrage qui a été fait dans les années que je vous ai mentionnées?—R. Mil neuf cent quatre-mil neuf cent cinq-mil neuf cent six (1904-1905-1906).

Q. Mais qui vous donnait les ordres dans ce temps-là pour ce compte-ci?—R. Monsieur Roy.

Q. Quel est votre troisième département?—R. C'est pour les chantiers de Sorel, (ship yards).

Q. Qui vous donnait les ordres pour ce troisième département?—R. Les ordres étaient signés par monsieur Desbarats: monsieur Desbarats et monsieur Massé.

Q. Était-ce l'assistant?—R. Monsieur Massé, le commis en chef.

Q. Comment en chef, après monsieur Desbarats?—R. Oui; ensuite il y a eu monsieur Norman Labelle, qui n'est plus là aujourd'hui, qui achetait à la place de monsieur Massé.

Q. Prenons le département n° 1. Comment les transactions se faisaient-elles entre vous et disons monsieur Belliveau, ou n'importe lequel?—R. Monsieur Belliveau arrivait avec un ordre signé par monsieur Roy, ou un autre, et on livrait la marchandise qu'il nous demandait.

Q. Est-ce du détail ou du gros que vous avez fait avec le gouvernement, vous autres?—R. On a fait du gros et on a fait du détail.

Q. Prenons le premier département que vous avez mentionné, vous avez vendu pour les trois années que je vous ai mentionnées cinq mille six cents piastres (\$5,600) à peu près?—R. Pour le premier département, oui.

Q. Et me dites-vous que dans ce premier département ici il y a des ordres de gros et des ordres de détail?—R. Oui, monsieur.

Q. Je voudrais avoir une explication de ce que vous entendez par des ordres de gros, d'abord qu'est-ce que c'est que vous appelez des ordres de gros et comment les avez-vous ces ordres de gros-là?—R. Les ordres de gros, ce sont des commandes qui en valent un peu la peine, qui partent de dix piastres en montant. On recevait des ordres de vingt-cinq cents aussi, alors on considère cela du détail.

Q. Qu'est-ce que vous appelleriez un ordre de gros?—R. Quand on recevait un ordre d'à peu près une dizaine de piastres on considérait, on faisait le prix du gros, le prix qu'on vend aux marchands de la campagne. On leur a vendu du clou, du câble, enfin une foule d'articles que je ne puis pas énumérer ici. Il y a le nom de monsieur Chatigny que je vois, on a reçu des ordres souvent de lui.

Q. Qui est un employé du département de la marine?—R. Qui était à bord du *Shamrock*, je crois qu'il y est encore.

Q. Avez-vous jamais obtenu des commandes d'après des soumissions que vous auriez faites? Avez-vous jamais soumissionné?—R. On a soumissionné plusieurs fois.

Q. Pour quoi? Pour quelles marchandises?—R. Pour des serrures, du câble, de l'étope, des bolts, des "knots", des fois on a obtenu la commande, d'autres fois on ne l'a pas eue. On a déjà eu une soumission pour quarante (40) tonnes de rivets qu'on n'a pu obtenir, on avait fait notre soumission à peu près à quatre pour cent, on ne l'a pas obtenue, on était trop cher.

Q. Quatre pour cent de profit?—R. Oui.

Q. Il y en avait un autre plus bas que vous autres?—R. Oui, quelques cents de plus bas.

Q. Savez-vous qui c'était?—R. Je crois que c'est Lewis Bros., trois à quatre cents par cent livres meilleur marché.

Q. Il y en avait un autre plus bas que vous et ils ont obtenu le contrat?—R. Et ils ont obtenu le contrat; les prix étaient coupés.

Q. Voulez-vous me mentionner sur ce document qui comprend votre premier département quels sont les ordres que vous avez obtenus après demande de soumission?—R. Je ne pourrais pas vous le dire.

Q. Êtes-vous capable?—R. Je crois que dans ce département-là on n'a pas eu de demande de soumissions.

Q. Êtes-vous capable de me le dire?—R. Les demandes de soumissions ont été seulement dans le département des travaux publics, *ship yards*, qui appartenait à monsieur Desbarats.

Q. Êtes-vous capable de me dire, par exemple, le premier item, trois cent soixante et neuf piastres et quelques cents, quelles sont les marchandises que vous avez vendues là-dedans?—R. Non, je n'ai pas apporté mon journal. C'est un livre qui a à peu près cela d'épais, et grand à peu près comme cela.

Q. Cela serait bien important, monsieur, qu'on sache quelles sont les marchandises?—R. Je ne l'ai pas aujourd'hui.

Q. De mémoire êtes-vous capable de nous en dire?—R. Non, c'est une affaire en dehors de quatre ans.

Q. Le premier item est-ce un item de gros ou un item de détail?—R. Je ne sais pas du tout. Cela devrait être un item de gros pour un montant de trois cent soixante.... c'est-à-dire cela comprend un mois. plus qu'un mois, du 15 janvier au 13 de mai. J'ai copié cela dans notre ledger. j'ai des feuilles de ledger ici, je vais vous les passer.

(Le témoin exhibe à M. Perron les feuilles du ledger.)

Vous voyez qu'il y a des petits montants, vingt-cinq cents, quinze cents même.

Q. Vous m'exhibez maintenant votre ledger contenant les détails des diverses sommes qui ont servi à préparer l'état du premier département?—R. Oui, monsieur.

Q. Maintenant, je vois qu'il y a dans ce compte-ci, que la majorité, la plus grande partie du compte se compose de petits item?—R. Oui, monsieur.

Q. Très petits même?—R. Très petits.

Q. Quels étaient ces item-là? Vous prenez un item de une piastre et quatre-vingts, quel était cet item pour lequel on allait chez vous?—R. Monsieur, ils prenaient de n'importe quelle affaire, une serrure de vingt-cinq cents, ils envoyaient un ordre; pour un autre article d'une piastre, ils envoyaient un ordre. C'est quand ils ont fait la construction, ils avaient besoin d'une foule de petits détails, aussitôt qu'ils en avaient besoin ils envoyaient un ordre au magasin.

Q. Est-ce qu'ils n'auraient pas pu avoir ces marchandises dans le magasin du département à Sorel?—R. Vous voyez ici un item de quinze cents, ça aurait coûté plus que quinze cents pour l'envoyer chercher.

Q. Ces petits ordres sont pour des marchandises d'un besoin pressant?—R. Des petites marchandises d'un besoin pressant.

Q. Vous avez vendu au département le prix du détail?—R. De ce petit détail-là, oui.

Q. Quel profit avez-vous chargé?—R. Je calcule que sur le tout ensemble on a dû faire de dix à douze pour cent de profits.

Q. Net?—R. C'est-à-dire net, on ôte, on compte nos profits, on n'ôte pas nos dépenses; on compte nos profits dix, douze pour cent, nos dépenses sont prises là-dessus.

Q. Est-ce que cela veut dire la différence entre le prix coûtant et vendant?—R. Oui, de grosse.

Q. Dix à douze pour cent?—R. Dix à douze pour cent.

Q. Vous n'avez pas fait plus que cela?—R. Il peut y avoir un article de plus qu'un autre, d'un autre côté il y en a de moins.

Q. Si vous aviez vendu à un particulier vous auriez fait, je présume, six ou sept pour cent?—R. On aurait vendu à peu près le même prix.

Q. Combien plus cher vendiez-vous au gouvernement que vous auriez vendu à moi ou à vos clients de Sorel?—R. On n'a pas vendu plus cher.

Q. Pour le département vous n'avez pas mis un peu plus cher qu'à vos voisins ou gens qui allaient acheter au comptoir tous les jours?—R. Cela peut arriver sur quelques articles, mais très peu.

Q. Pourquoi avez-vous vendu plus cher sur quelques articles?—R. Je ne dis pas que cela a arrivé, ça pu arriver, je l'ignore. Lorsque j'ai chargé les marchandises je les ai chargées au prix qu'on vend à un particulier.

Q. Lorsqu'on en achète par une petite quantité?—R. Oui.

Q. Vous dites que vous avez considéré les ordres de dix piastres et au-dessus comme des ordres de gros?—R. Oui, on chargeait cela comme on vend à la campagne.

Q. Vous achetez vos ordres de gros à Montréal? Faites-vous de l'importation?—R. On fait de l'importation.

Q. Vous importez?—R. On importe de la tôle, de l'étaupe, des serrures, ce sont des articles qu'on a vendu au département, même on a fait des importations spécialement pour le gouvernement dans les serrures en cuivre.

Q. Quel profit avez-vous pris sur ces importations-là?—R. Je l'ignore, je n'étais pas aux livres dans le temps.

Q. Cinquante pour cent, je suppose, quarante pour cent?—R. Je l'ignore complètement. J'ignore le prix que les marchandises ont été payées et le prix qu'elles ont été vendues.

Q. Et vous prétendez, monsieur Pratte, que sur les transactions de détail que j'ai devant moi maintenant, qui constitue votre département n° 1, que vos profits n'ont pas été plus que dix à douze pour cent grosse?—R. Je mets en général.

Q. Combien avez-vous payé de commission aux divers officiers du département?—

R. On n'a rien payé du tout.

Q. A monsieur Roy vous avez dû payer?—R. Pas un sou.

Q. A ceux qui donnaient des ordres, il fallait les récompenser?—R. On n'a rien donné.

Q. Est-ce qu'on vous a demandé quelque chose?—R. Non, on n'a jamais rien demandé.

Q. Des officiers du département, ceux qui achetaient de vous autres, ne vous ont pas dit que vous devriez leur donner une commission de temps en temps?—R. Non, on n'a jamais eu de demande.

Q. Jamais personne ne vous a demandé de commission?—R. Non.

Q. Vous n'en avez pas offert vous autres pour avoir plus d'ordres?—R. Encore moins.

Q. Avez-vous livré sans ordre?—R. Jamais sans ordre. Quelques fois on reçoit un téléphone de livrer tel ou tel article, et on reçoit l'ordre après; cela, c'est pour de petites affaires.

Q. Mais comprenez-vous pour quelle raison le département achète du détail plutôt que d'acheter en gros pour tous ces petits effets que vous avez vendus, le département gagnerait quelque chose s'il achetait en gros?—R. Il pourrait peut-être gagner quelque chose, mais c'est une chose incontrôlable dans le département d'avoir tout ce qu'il leur faut; à la dernière minute un "boat" est prêt à partir, il va leur manquer de la "waste", de la graisse, ils ne sont pas pour retarder le bateau pour faire venir ces choses-là de Montréal.

Q. Quand ils demandent des soumissions le printemps pour grandes quantités de marchandises dont ils ont besoin, est-ce qu'ils ne pourraient pas voir à avoir toute la marchandise nécessaire?—R. Les soumissions qu'on a faites je suppose qu'elles étaient meilleur marché ou aussi bas que les autres, c'est pour cela qu'on les a eues.

Q. Je comprends que vous ne prétendez pas avoir fait des profits exorbitants, mais ce que je ne comprends pas c'est que le département ne s'arrange pas pour avoir tous ces effets du gros, tous ces petits ordres que vous donnez ici en détail?—R. Un magasin de gros manque de marchandises, il n'est pas étonnant que le département de la Marine en manque aussi.

Q. Est-ce qu'ils n'ont pas leur propre magasin à Sorel?—R. Oui, monsieur.

Q. Avec un assortiment complet?—R. Complet, quand il l'est. Les premiers magasins de Montréal manquent d'effets, cela arrive qu'ils n'ont pas d'effets, qu'ils les font venir de la manufacture, ils sont dans le même cas.

Q. Ceci c'est le département n° 1, vous devriez avoir les ordres, voir quelle espèce d'ordres vous avez eus?—R. Voici pour la construction pour le lac Saint-Pierre, celui-ci est pour les travaux publics. Je ne peux pas dire d'autre chose sur ceux-là que sur les premiers, c'est toute la même chose.

Q. Est-ce qu'il y a un magasin du département à Sorel?—R. Oui.

Q. Est-ce que ce magasin qui est à Sorel tient en stock ces diverses marchandises que vous avez ici dans votre ledger?—R. Presque toutes.

Q. Alors quand vous avez vendu un ordre...?—R. C'est parce qu'ils en manquaient.

Q. C'est parce qu'ils n'avaient pas dans le magasin une serrure?—R. C'est parce qu'ils n'avaient pas dans le magasin une serrure et il leur fallait de suite.

Q. De suite, pourquoi?—R. Quand un bâtiment est prêt à partir ils ne sont pas pour le faire demander à Montréal, et laisser le bâtiment là avec tout l'équipage.

Q. Est-ce que dix à douze pour cent de profit, vous dites que vous avez eu sur ces ordres dix à douze pour cent, vous avez des compétiteurs, des gens qui vendent absolument la même marchandise—R. Non, ils ne tiennent pas toutes les marchandises.

Q. Etes-vous les seuls à Sorel qui teniez certaines classes de marchandises?—R. Ils tiennent certaines classes de marchandises qu'on a, ils ne peuvent pas arriver pour vendre de la tôle, de l'étoupe, des serrures.

Q. Prétendez-vous que vous vendez meilleur marché que les autres à Sorel?—
Sur une foule de ces articles-là. Nous leur avons importé du vernis, que d'autres
aisons ne tiennent pas.

Q. Combien avez-vous pris de profit sur ces importations de vernis?—R. Les ver-
is doivent donner quinze pour cent (15 pour 100) de profit, c'est la marchandise qui
aye le plus dans notre ligne.

Q. Aux marchands vous chargez douze et au gouvernement quinze?—R. On leur
charge vingt, vingt-cinq.

Q. Aux marchands?—R. Oui.

Q. Et au gouvernement quinze?—R. Oui.

Q. Pourquoi?—R. Parce qu'on a eu une commande assez de valeur.

Q. Et vous avez fait un escompte de dix pour cent?—R. De quinze pour cent.

Et le déposant ne dit rien de plus.

HAROLD SHEPPARD, sworn.

By Mr. Perron :

Q. Mr. Sheppard, you are a member of the firm of ?—A. Sheppard & Son.

Q. Who are the principals composing this firm ? I beg your pardon. First, is it
partnership or an incorporated company ?—A. No, it is one man, my father now.

Q. Your father alone ?—A. Alone.

Q. What position do you occupy in the firm ?—A. Well, I don't know. Overseer,
guess, nearly everything.

Q. Do I understand from you, Mr. Sheppard, you have been practically from since
few years conducting this business of Sheppard and Son ?—A. In part.

Q. What part ?—A. Every department, every part.

Q. How long has your father been carrying on business in Sorel ?—A. About 40
o 45 years.

Q. What is your line of business ?—A. Lumber and timber.

Q. Lumber merchants doing a large business ?—A. A fair business.

Q. A big turnover ?—A. Not very.

Q. It depends on depression, I suppose?—A. No. It depends largely on the con-
dition, the financial condition of the farmer. We have a very heavy retail trade and
also a considerable wholesale trade, and it varies considerably.

Q. In 1904-5, 1905-6 and 1906-7 what was your turnover, about ?—A. About
80,000.

Q. Thereabouts ?—A. About, yes.

Q. You have been dealing extensively with the Department of Marine and Fish-
eries ?—A. We have enjoyed their patronage quite a lot.

Q. Have you got your books with you ?—A. Yes, sir. The bookkeeper can show
them to you if you like.

Q. Yes. Will you ask him to show me the account with the department for the
years 1904-5, 1905-6 and 1906-7 ?—A. We have two departments here in Sorel. We
have the Lake St. Peter construction department and Mr. Desbarats' department.

Q. And Mr. Desbarats' department ?—A. Yes.

Q. Are they separate departments ?—A. We have them separate in our books.

Q. For your own convenience I suppose ?—A. Yes.

Q. Did you keep it separate for your own convenience or were you asked to do so
by the department ?—A. We were asked by the department.

Q. You spoke of the Lake St. Peter Construction Department. This is not per-
manent ?—A. It has been permanent, I think, since the Marine and Fisheries Depart-
ment took over the care of the buoys.

Q. What are they constructing there permanently ?—A. They have been for the
last two or three years constructing cement permanent piers, lighthouses there. (Pro-

duces books.) We have the Marine and Fisheries shipyard and the Marine and Fisheries St. Peter construction.

Q. Let me see the shipyard account first and then the other one.—A. You want 1904. He will bring them in half a moment.

Q. You have no extract of this ?—A. I have the journals here.

Q. You have the journals?—A. Yes.

Q. Just get the journals for this. (Witness produces journals.)

Q. Taking the journal produced, have you got those for 1904-5 and 1905-6 ?—A. Yes, sir.

Q. Before we get those books—

Q. Mr. WATSON.—I find it perfectly exhausting here, my lord, the heat and pressure are excessive. I think we had better adjourn until after luncheon.

Hon. Mr. CASSELS.—It is very trying. The room is very well ventilated, but it is an exceedingly hot day.

(Adjourned at 12.45 p.m. to 2.15 p.m.)

Commission resumed at 2.15 p.m.

By Mr. Perron :

Q. Well, Mr. Sheppard, have you your ledger for 1904-5 ?—A. 1905.

Q. Let me see it. So I see by your ledger that in the year 1904-5 you sold to the Department of Marine and Fisheries \$1,266 ?—A. Yes, sir, that is right.

Q. And I also see that most of the items are small items ?—A. Yes, sir.

Q. What did you sell in 1906, \$1,600, is that it (indicating) ?—A. September, October, November, December—yes, that is it.

Q. \$1,600 ?—A. \$1,600.

Q. And in 1907 would be ?—A. \$14,358.

Q. I see also that in 1906 most of the items were small except one of \$800 ?—A. Yes, sir.

Q. And 1907, there is a big item of \$12,825 ?—A. Yes, sir.

Q. Taking first 1905, how did you sell, how did you come to sell to the department of Marine and Fisheries, how did you obtain the orders ?—A. Through whom ?

Q. How, by tender ?—A. No, by call orders.

Q. Who called for those orders ?—A. Well, this 1905 here is called for by the *Shamrock*, that is by Mr. U. P. Boucher.

Q. He was the one who was giving you the orders ?—A. They were given through him in this way. Here are the orders of 1905.

Q. Duplicate, Department of Marine and Fisheries, Montreal, No. 865. July 19, 1905. Please deliver f. o. b. Lake St. Peter the following articles. Then follows—
A. The description of the timber.

Q. Ordered by U. P. Boucher, agent.

By Hon. Mr. Cassels :

Q. Was it lumber or timber ?—A. Both kinds, lumber and timber.

By Mr. Perron :

Q. What were they using this lumber and timber for ?—A. I don't know.

Q. You don't know at all ?—A. It was for Lake St. Peter construction. It was for building lighthouses I understood in Lake St. Peter, but I have no definite knowledge where the timber was used.

Q. Were you delivering this timber on board boats or barges ?—A. On the wharf. They loaded it on the barges.

Q. Did you see them loading the timber or lumber ?—A. No, sir.

Q. Do you know the timber was delivered on the wharf?—A. Yes, sir, by our own

Q. What prices did you obtain for these orders?—A. Current market prices, retail prices.

Q. Yes. That is what I wanted to get.

By Hon. Mr. Cassels :

Q. What?—A. Retail prices.

By Mr. Perron :

Q. Retail prices. I understand that you have two prices in your business, wholesale and retail?—A. Yes, sir.

Q. What do you call wholesale, when does it begin to become wholesale?—A. Well, the amount required—wholesale is generally when we make a tender on lumber, when prices are called for we make a tender for it.

Q. You are talking about the department now?—A. Both.

Q. I am talking about individuals. If I go to your place to buy some lumber when do you call it wholesale and when retail?—A. When special arrangements are made for it.

Q. What do you mean by special arrangements?—A. Well, if a gentleman comes to our place and says he wants to purchase large quantities of lumber and wishes special prices, we make him special quotations. Otherwise we give strictly retail prices.

Q. You see, Mr. Sheppard, we are not much further advanced. You say large quantities. That is precisely what I want to know from you what you mean by a large quantity. I suppose a large quantity would mean that it is wholesale, but when does it start, give us the figures?—A. I cannot give any figures when it starts. It depends on whether a man is in the lumber business or not. We have no special limit for retail prices nor any special figures when wholesale prices begin. We have very few people to whom we sell wholesale.

Q. Very few?—A. Very few.

Q. Your business is retail?—A. Strictly retail, but nevertheless we have the Echelle Company and the Sincennes-McNaughton and the Quebec Southern Railway, and the Delaware and Hudson that purchased wholesale from us because they required timber every day in the year.

Q. But the government do as well?—A. But it is in larger quantities than that.

Q. What do you mean?—A. Carload lots.

Q. Have you not carload lots in 1905?—A. No carload lots in 1905 were sold at wholesale prices to the department.

By Mr. Watson :

Q. Why is that?—A. There are no carload lots in 1905, they are all small amounts.

By Mr. Perron :

Q. You are right, Mr. Sheppard. I think we are getting near to what I want to know. You say a carload lot is wholesale?—A. Yes, sir.

Q. And less than a carload lot would be retail?—A. Yes, sir.

Hon. Mr. Cassels :

Q. What the witness means is, when he gets a large order he can sell at a lower price.—A. Yes, sir. You see these items that go to make up this account are probably all a dozen different kinds of lumber in the same load.

By Mr. Herron :

Q. Well, could not the government purchase this lumber beforehand and get wholesale prices? Would it not pay them to get wholesale lots?—A. They would have to carry tremendous stocks.

Q. That, according to you, would be the reason why they buy in such small quantities to get an assortment?—A. To get an assortment, and they have not to carry stock.

By Hon. Mr. Cassels :

Q. How does lumber keep from year to year? Supposing the department ordered a large supply, would it deteriorate in three or four years?—A. No, sir, it is a very small item.

Q. Have they got a stock place for lumber in Sorel?—A. Mr. Desbarats' department has.

Q. Had they at this time when they were getting supplies from you?—A. In 1905?

Q. In 1905?—A. No, sir.

Q. When did they first start?—A. They built a saw-mill, and then after they had built that saw-mill they began buying enough lumber to keep in stock. Formerly they used to buy carload lots.

Q. They bought enough timber?—A. Timber and lumber.

Q. Then they bought it wholesale?—A. Yes.

Q. When did that commence?—A. I don't know.

By Mr. Perron :

Q. Your books would show that?—A. As far as we are concerned they began buying—oh, I don't know, about two or three years ago, wholesale lots, carload lots and boat lots.

Q. To keep in stock for their own purpose to be used as needed. Prior to that they bought from hand to mouth?—A. Yes, sir.

Q. They have used more during the last three or four years than they used to. Is that owing to the change of system?—A. They are using less lumber now than formerly; they are using more timber.

Q. Are they buying wholesale at present?—A. They are buying wholesale.

Q. Now, I notice in 1905 your orders are really very small, \$1,600 covered the whole year—not quite \$1,600, \$1,200 covered the whole year. I see the amounts are very small. You say that most of it was assorted lumber and assorted timber?—A. Yes. Very little timber for that purpose.

Q. Well now, what profit did you make on this?—A. Well, on those individual government lots it is pretty hard to say. I think we never figured on making any excessive profit on the government, but we would figure on 12 per cent.

Q. Gross or net?—A. That is gross profit.

Q. Is that the difference between cost price and—A. At the end of the year.

Q. Now, is that the profit you got from your other customers?—A. Yes, sir.

Q. You must have got a little more from the government than you got from your other customers?—A. No, sir.

Q. No?—A. No, we have a scale of retail prices, and we adhere to that scale.

Q. The same thing for the department as for the others?—A. Yes, sir.

Q. You say you got orders from Mr. U. P. Bourcier. How much commission did you pay to him?—A. None at all, sir.

Q. Eh?—A. None at all, sir. I don't know him.

Q. You don't know him?—A. Mr. U. P. Boucher? I met him this summer for the first time.

Q. Surely, you had to meet some of the officials of the department in Sorel?—A. No, sir.

Q. You have not met any one of them?—A. Not personally.

Q. You do not know them?—A. I know officials. What officials do you mean?

Q. I mean officials who are dealing with you?—A. I did not know Mr. U. P. Boucher. I met him this summer. I may have seen Mr. Roy, but he was known to the House.

Q. Who sees the officers and pays them commissions?—A. There is no one to pay them commissions. We receive the order.

Q. No one in charge in your firm to see that commission is paid to the officials on orders?—A. No, sir.

Q. That means you do not pay commissions?—A. No, sir.

Q. Never did?—A. Never did.

Q. That means you do not pay commissions?—A. No, sir.

Q. No one ever asked you or made you understand that you had better attend to their needs?—A. No, sir. Our biggest dealings have been with Mr. Desbarats and we have never seen him at our place.

Q. Well, there is a very big order of \$12,825 on the 14th of June, 1907. I should like to have some explanation about this order. How did you get it?—A. By offering to the department.

Q. Were there tenders asked for?—A. I have no knowledge of tenders being asked for it.

Q. Have you some papers relating to this order here?—A. Yes, sir.

Q. Let me see them, if you please.—A. Here is the order we got for the timber, and this is the specification we submitted to Mr. Desbarats for inspection (producing).

Q. You do not know whether an advertisement was issued asking for tenders for this?—A. I don't know, sir.

Q. Did Mr. Desbarats ask you for quotations?—A. No, sir.

Q. How then came you to make this transaction of \$12,000?—A. We import large quantities of this timber from the south.

Q. This is what is called 'long leaf yellow pine.' This is yellow pine from Georgia?—A. Yes, sir.

Q. You say you import large quantities of this pine every year?—A. Yes, sir; and we had a cargo coming up and we were offered a lot to complete the cargo, which we offered Mr. Desbarats. That lot there (indicating).

Q. This lot of \$12,000?—A. Yes, sir.

Q. Yes.—A. And all we know of it was we got an answer asking us to supply the department. That is the way we received the order.

Q. This is the answer or order, being order No. 3551, 'Marine and Fisheries Department of Canada, government shipyards, Sorel, May 30, 1907. Messrs. James Sheppard & Son, Sorel. Please furnish the Department of Marine and Fisheries with the lot of long leaf merchantable yellow pine, as per specification submitted at \$41 per mile.'—A. Per thousand.

Q. Per thousand, I mean, 'delivered at our yards in Sorel.'

By Hon. Mr. Cassels :

Q. What is that Georgia pine used for?—A. Shipbuilding purposes.

Q. What is the advantage of it over the other?—A. It is of much longer duration and it is harder timber and finer timber and of longer lengths and larger sizes.

Q. Better than the ordinary pine?—A. Yes, sir, very much for that purpose.

Q. Do you know whether the department was constructing ships especially that year, 1907?—A. They are constructing ships all the time.

Q. They are? Do you know if they had ships under construction at the time when they gave you this order?—A. They must have had, I don't know, I am not sure.

By Mr. Perron :

Q. You have no idea whatever where this timber was used?—A. It is not all used.

Q. Oh, there is still some there?—A. That is a lot was bought wholesale.

Q. Well, now, what was the current price of this pine at the time?—A. The current price saleable?

Q. Yes.—A. \$45.00.

Q. You mean retail?—A. No. Retail was from \$50 to \$55.

Q. Do you mean there is \$10 difference per thousand between the wholesale and retail price?—A. There is this about retail prices: A man will come to us and ask for one special long piece. It is worth more money than a short piece, and consequently you have to judge of the market value of such a long piece. But on the turnover of a large value like that—

Q. Did you obtain \$41 per thousand for this lumber?—A. Yes, sir.

Q. You do not tell me the wholesale price would be \$41 per thousand buying large lots such as this one?—A. I don't catch the meaning of your question.

Q. You don't mean to say this was the regular price?—A. No, sir.

Q. It was higher?—A. No, sir, it was lower.

Q. How many carloads did you have in this lot?—A. That was a schooner lot.

Q. That would mean many carloads?—A. Yes, quite a few carloads.

Q. This was more than wholesale, it was a job lot?—A. No sir, it was a wholesale lot.

Q. And you say that the regular wholesale price would have been \$45?—A. I did not say the wholesale price.

Q. The wholesale price would have been?—A. That is what we asked for it, \$41.

Q. That would be the wholesale price?—A. Yes, sir.

Q. So if I had gone to your place and got a carload of this timber you would have charged me \$41?—A. No, I would have charged you more than that.

Q. That would have been wholesale, a carload?—A. One carload; but several carloads are worth less in one individual sale than one carload.

Q. What is this steamship?—A. That is the vessel it was carried by.

Q. From Georgia?—A. Yes, sir.

By Hon. Mr. Cassels :

Q. Then you just turned it over to the government?—A. Yes, sir.

Q. That is, this Georgia pine?—A. It was timber cut to our specification in the south.

Q. It was turned over to the government just from the steamship *Basuto* shortly afterwards?—A. Yes.

Q. What did you pay for it afterwards?—A. 20 per cent.

Q. You made 20 per cent out of it?—A. There were a few little expenses.

Q. But practically that?—A. Yes.

Q. This was the transaction. Well then, you simply acted as middleman. The government could have got the same thing?—A. From us?

Q. No, no; I mean from the Georgia people?—A. Well, I don't know. The Georgia people sold to us, I don't think the government could have got it from the same people at the same price.

Q. Why?—A. Because we buy more from them than they do.

Q. That is your opinion?—A. Yes, sir.

Q. You have nothing to add?—A. Well, the people down south are just as anxious to get large orders as we are, and we buy larger quantities than that quantity from the people who sell. Consequently they sell to us cheaper than they would sell for just that half cargo. That half cargo could not be brought up as one cargo; the *Basuto* had more than that.

By Mr. Perron :

Q. You had not only that in the cargo, but some other timber?—A. Yes.

Q. I understood from you—I think that was your answer to his lordship—that simply the whole ship was loaded with this cargo?—A. No, that was a mistake. The *Basuto* had a large quantity for ourselves that was coming up besides this lot.

Q. I sec.

By Hon. Mr. Cassels:

- Q. How much was there in the cargo lot ?—A. There was—well, I have no idea. There must have been about 900,000 feet.
- Q. How much did the government get in feet ?—A. 300,000.
- Q. Three hundred thousand ?—A. Yes.
- Q. About one-third of the cargo ?—A. Yes, practically speaking. I am not quite sure, but I think it was 900,000 or 1,000,000 feet in the cargo.

By Mr. Perron:

- Q. It would not be less than 900,000 anyway ?—A. No.
- Q. And you are quite sure the part taken by the department would be about 300,000 feet ?—A. Yes, sir. That is—
- Q. Oh, you have the specification there, have you ?—A. Yes. To show you that the price of \$41 is wholesale, here is the same timber supplied to the department at \$55.
- Q. In very small lots ?—A. But at the same time quite a lot of feet, more than one carload.
- Q. There would not be more than one carload of timber ?—A. More than one carload on account of being so big and long.
- Q. To whom was this sold ?—A. To the department.
- Q. Oh, yes, \$55. That is 1905 ?—A. Yes.
- Q. I see here an order signed by Mr. Desbarats on May 10, 1905, notifying you that no merchandise of any kind should be delivered to the shipyards without an order signed by himself or Mr. Lavel. Why was this notice sent to you ?—A. I have no idea. I didn't know even it was there. It must have been taken from off the file.
- Q. I see notice was sent to you that no goods would be paid for unless the order was signed by Mr. Desbarats or Mr. Lavel ?—A. It is evident that is a carbon copy, it must have been sent to several people.
- Q. I see that. I want to know from you whether there was any special reason why this notice should have been sent to you in 1905 ?—A. None that I know of.
- Q. Had you previously delivered lumber to employees without a special order from Mr. Desbarats or Mr. Lavel ?—A. No, sir. Mr. Desbarats may just have arrived at that time. I have no idea. I don't know how that was sent to us at all.
- Q. You are quite sure that previous to that you had not delivered goods without orders ?—A. I can go back and get the orders.
- Q. But to your recollection ?—A. I am not sure.
- Q. There was no special reason why this notice should be sent to you ?—A. Not to my knowledge. I think it was sent to all people supplying to the government, to the department.
- Q. Have you followed this notice ?—A. Pretty near.
- Q. Pretty near? Tell me of the special occasions when you did not comply with the request ?—A. None that I know of.
- Q. Some one in your firm did not perhaps ?—A. No, we have all our orders signed by Mr. Desbarats.
- Q. Nothing more, unless your lordship wishes to put a question, I don't know that I can go any further. Just one question I want to ask you, Mr. Sheppard, which I omitted. There are very large lumber firms in this country, in this province ?—A. Yes, sir.
- Q. Lumber dealers. Now, the government paid you \$41 per thousand for that Georgia pine. The government could have had it cheaper from the large dealers here ?—A. I don't think so, sir.
- Q. Why not ?—A. I don't know why not.
- Q. They are buying in larger quantities than you are from the Georgia people ?—A. Very few.
- Q. Who ?—A. I don't know of any.

Q. Mr. Lemay, Mr. E. H. Lemay?—A. He may, but I think he does a larger business in British Columbia timber than in Georgia timber.

Q. Well, do you know any company in this province who buy from the Georgia people larger quantities than you do?—A. No, I don't.

Q. Then you don't know of any firm from whom the department could have obtained this kind at a cheaper price?—A. No.

By Hon. Mr. Cassels :

Q. To whom else did you sell that Georgia pine, Mr. Sheppard?—A. The balance of the cargo we kept ourselves in our yards.

Q. Who would buy it, I mean?—A. Who would buy it?

Q. Yes. To whom would you sell it?—A. We retail it out to other large companies that build ships, the Richelieu and Ontario Navigation Company and the Sincennes McNaughton Tug line, and the Delaware and Hudson Railroad people.

Q. And what prices did you get for the balance of the cargo?—A. It ranged from \$45 to \$55.

Mr. WATSON.—Do you mean from those other companies?—A. Yes, sir, we have special contracts with the Sincennes McNaughton line at \$45.

By Mr. Perron :

Q. And what are you charging the R. and O. people?—A. We have no contract.

Q. How much are you charging the R. and O. people?—A. \$45 to \$55. You see, the R. and O. buy square timber and also they buy it sawn and cut up. Naturally, when we saw and cut it up it causes loss and moreover work.

Q. That is all right, Mr. Sheppard.

JOSEPH BERTHIAUME, forgeron, demeurant à Sorel, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron :

Q. Quelle est votre occupation, monsieur?—R. Forgeron.

Q. Je vois que vous avez vendu au gouvernement pour neuf cents piastres?—R. Je lui ai vendu, j'ai travaillé, j'ai fait de l'ouvrage.

Q. Avez-vous vos livres?—R. Non, je n'ai pas de livres.

Q. Vous ne tenez pas de livres?—R. Je n'ai pas de livres; je n'ai pas eu assez d'ouvrage pour tenir des livres.

Q. Neuf cents piastres, cela représente un joli montant d'ouvrage?—R. Ah, non, je n'ai pas de livres, je ne tiens pas de livres.

Q. Combien de temps avez-vous travaillé pour eux autres?—R. J'ai travaillé dans différents temps.

Q. Quand? En mil neuf cent quatre-mil neuf cent cinq (1904-1905)?—R. Mil neuf cent quatre-mil neuf cent cinq (1904-1905).

Q. Neuf cents piastres dans l'année?—R. Je ne me rappelle pas le montant fixe, mais ça doit être à peu près cela.

Q. Vous ne tenez jamais de livres, vous?—R. Non.

Q. Pourquoi?—R. Non. Je vais vous dire: je n'avais pas assez d'ouvrage, quand ils m'ont fait travailler j'ai dit: Je n'ai pas les moyens d'avoir un commis, quand l'ouvrage sera fait....

Q. Combien avez-vous chargé au gouvernement?—R. Le prix que je charge à tout le monde.

Q. Quelle espèce d'ouvrage?—R. Je faisais des "bolts" pour les quais.

Et le déposant ne dit rien de plus.

ALFRED FRANCŒUR, agent d'assurance, demeurant à Sorel, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron:

Q. Quelle est votre occupation, monsieur?—R. Agent d'assurance sur la vie.

Q. Comment se fait-il que vous avez vendu au gouvernement pour deux mille dix cent dix-huit piastres et soixante cents (\$2,218.60)?—R. Cela fait que j'étais dans la grocerie. •

Q. En mil neuf cent deux, quatre, cinq?—R. Partant de mil neuf cent (1900) à mil neuf cent sept (1907) j'étais épicier.

Q. Epicier à Sorel?—R. Oui.

Q. Vous n'êtes plus en affaires maintenant?—R. Non, monsieur, depuis le mois de février.

Q. De cette année?—R. Oui, monsieur.

Q. Epicier en gros ou en détail?—R. En détail.

Q. Avez-vous vos livres avec vous?—R. Je n'ai pas de livres, monsieur, tous mes livres ont été vendus dans ma faillite.

Q. Vous avez été obligé de faire cession?—R. Oui.

Q. Pouvez-vous nous dire de mémoire quels sont les effets que vous avez vendus au département de la Marine et des Pêcheries?—R. Dans la grocerie.

Q. Quelles espèces de groceries?—R. Les "canned goods", beurre, fromage, œufs, patates, pain, etc.; dans la grocerie, tout ce qu'il y a dans l'épicerie.

Q. À qui vendiez-vous comme cela du beurre, des patates et du pain?—R. Je venais pour les bâtiments.

Q. C'est vous qui fournissiez les bâtiments?—R. Les bâtiments.

Q. Quels bâtiments comme cela?—R. Il y avait le *Frontenac*, l'*Eureka*, *Jas. Howland*.

Q. Cela en fait trois cela?—R. Le *Lady Grey*; j'ai vendu au *Verchères* en mil neuf cent six (1906).

Q. Quels étaient les gens avec lesquels vous faisiez affaires? Quels étaient les noms des employés avec lesquels vous faisiez affaires?—R. C'est les "stewards" qui avaient donner l'ordre au magasin, de chaque bâtiment.

Q. Vous rappelez-vous des noms?—R. Je me rappelle de monsieur Joly, Joseph Joly.

Q. Ce sont de gros ordres que vous avez eus, deux mille deux cent dix-huit piastres (2,218), combien cela représente-t-il d'ordres?—R. Ah, c'était à peu près, dans les bâtiments que j'avais, cela représentait à peu près trois, quatre cents piastres par année, par été.

Q. Trois à quatre cents piastres par bâtiment par été?—R. Par été.

Q. Et c'étaient des ordres de combien chaque fois? Deux, trois, cinq, six piastres?—R. Dans les ordres de vingt, vingt-cinq, trente piastres.

Q. Qu'est-ce que c'est qu'ils achetaient comme cela?—R. En partie ce qu'ils avaient besoin pour la nourriture des hommes.

Q. Pas de liqueurs?—R. Pas de liqueurs, je n'en vendais pas.

Q. Quel prix que vous leur vendiez cela, comme on vend au gouvernement, bien cher?—R. Je fais le prix que je vends à mes pratiques, de quinze à dix-huit pour cent, avarage. Il y avait des articles, tel que le beurre qui se vendait huit et dix, mais en avarage c'était quinze, dix-huit pour cent, ce que je faisais avec toutes mes pratiques, je ne changeais pas de prix.

Q. Vous n'aviez pas beaucoup de pratiques qui allaient acheter pour vint, vingt-cinq piastres à la fois?—R. Non, je comprends.

Q. Vous auriez dû vendre un peu meilleur marché?—R. Je ne pouvais pas vendre un peu meilleur marché parce que je passais mon temps spécial, j'avais la préférence des servir, parce que j'avais le promptitude des servir. Je m'empressais de laisser

tout de côté pour servir ces gens-là, c'est pour cela que j'avais l'avantage d'avoir leurs ordres, autrement je n'aurais pas eu leurs ordres.

Q. Je ne comprends pas beaucoup quel temps spécial vous pouviez avoir à donner pour vendre des patates ou du pain ou des affaires de même à un "steward" à bord d'un bâtiment?—R. Ce n'était pas le bâtiment; du moment que le bâtiment avait quinze minutes, vingt minutes pour se faire servir, naturellement il fallait tout laisser le reste de côté pour servir ces gens-là n'importe quel temps, les dimanches, la nuit, du moment qu'ils arrivaient on était obligé des servir, je m'empressais toujours des servir.

Q. Prétendez-vous que vous avez été obligé de leur livrer la marchandise la nuit? —R. La nuit, le dimanche et en tout temps et à toute heure.

Q. Combien chargiez-vous d'extra pour cela?—R. Rien, je n'ai jamais rien chargé d'extra.

Q. Un peu plus cher que vous chargiez à vos voisins qui allaient acheter leurs épiceries chez vous?—R. Non, monsieur; les prix étaient réguliers, étaient marqués sur les boîtes, sur chaque article, mes prix étaient les mêmes pour le gouvernement comme pour le reste, mais pas meilleur marché pour le gouvernement que pour les autres; les prix étaient réguliers.

Q. Combien donniez-vous de commission aux "stewards"?—R. Le "steward" avait deux pour cent (2 pour 100), comme les autres avaient à bord des "dredges".

Q. Deux pour cent pour lui?—R. Je ne sais pas ce qu'il en faisait, mais je lui donnais à la fin de l'année, c'est-à-dire qu'aux capitaines des "dredges" qui achètent je leur allouais deux pour cent, cela c'est mon commerce.

Q. Voulez-vous dire que vous faisiez deux pour cent d'escompte?—R. Je donnais deux pour cent aux acheteurs.

Q. D'escompte?—R. D'escompte.

Q. Sur le total d'une saison?—R. Sur le total d'une saison.

Q. Et vous dites que vous faites cela pour tous les capitaines de vaisseaux?—R. Je fais cela pour tous les capitaines de vaisseaux, ce qui leur rapportait huit, neuf piastres par été pour leur trouble.

Q. Maintenant, dois-je comprendre ceci, je ne parle pas du département, est-ce qu'il n'y avait que les employés du département de la Marine qui achetaient chez vous? —R. Oui, monsieur.

Q. Des capitaines d'autres vaisseaux?—R. Oui, monsieur.

Q. Quels bâtiments?—R. Je fournissais les "dredges".

Q. Quelles "dredges" comme cela?—R. Je ne me rappelle pas le nom de la "dredge". Je me rappelle du capitaine. Raphaël Matte.

Q. Est-ce qu'il travaillait pour le gouvernement?—R. Pour le gouvernement, oui, il était employé d'une "dredge".

Q. En dehors du gouvernement, vous ne vendiez pas aux vaisseaux?—R. Bien, je vendais aux familles privées, mais pas aux vaisseaux.

Q. D'autres vaisseaux?—R. Il y en avait deux: le capitaine Dauphinois, il est mort.

Q. Sur quel bâtiment était le capitaine Dauphinois?—R. Je ne puis pas me rappeler.

Q. Travaillait-il pour le département?—R. A bord d'une "dredge".

Q. Pour le département?—R. Pour le département.

Q. Alors vous dites qu'à la fin de la saison vous donniez deux pour cent (2 pour 100)?—R. Deux pour cent (2 pour 100).

Q. Comment est-ce que vous arrangeiez cela?—R. Sur le total de leurs achats.

Q. Leur donniez-vous de l'argent?—R. Je leur donnais l'argent, et ceux qui voulaient un cadeau ils disaient ce qu'ils voulaient et je donnais le montant.

Q. Maintenant vous dites que vous leur donniez à la fin de la saison?—R. A la fin de la saison.

Q. Leur donniez-vous après que vos comptes étaient payés?—R. Non, je ne regardais pas cela, du moment que la saison était finie, parce que les gens étaient bons.

Q. Ce que je veux savoir de vous: quand vous faisiez le règlement à la fin de la saison vous leur donniez deux pour cent?—R. Deux pour cent sur le total.

Q. Est-ce que ces deux pour cent étaient pour le bénéfice du gouvernement ou pour le bénéfice des capitaines?—R. Pour le bénéfice du capitaine, c'est-à-dire le bénéfice du capitaine, pour le récompenser.

Q. Combien en avez-vous de capitaines comme cela qui ont retiré deux pour cent de vous?—R. Il y en avait deux.

Q. Donnez donc les noms, s'il vous plaît?—R. Je les ai donnés: Raphaël Matte et Narcisse Dauphinais.

Q. Ce sont ces deux-là qui ont eu deux pour cent de vous sur les achats de l'été?—R. Sur les achats de l'été.

Q. Où demeure-t-il Narcisse Dauphinais?—R. Narcisse Dauphinais est mort.

Q. Quand?—R. Il y a deux ans.

Q. Raphaël Matte, où est-il?—R. Il est à Sorel.

Q. Qu'est-ce qu'il fait dans le moment?—R. Il est à bord de la "dredge".

Q. Quelle "dredge"?—R. Je ne peux pas dire quelle "dredge", je ne connais pas le nom.

Q. Vous ne connaissez pas le nom de la "dredge"?—R. Non.

Q. Il est à Sorel, dans tous les cas?—R. Il est à Sorel.

Q. Quel montant avez-vous remis à monsieur Matte comme cela?—R. Huit piastres (\$8); huit, neuf piastres.

Q. En quelle année?—R. Tous les ans.

Q. Mil neuf cent cinq (1905)?—R. Mil neuf cent cinq (1905), mil neuf cent six (1906), mil neuf cent sept (1907).

Q. Huit ou neuf piastres par année?—R. Oui, à peu près cela.

Q. Pendant deux ans?—R. Oui, pendant le temps qu'il a acheté chez moi.

Q. Et cela vous dites c'était pour le récompenser parce qu'il achetait chez vous?—R. Pour le récompenser, c'était justement comme remerciements que je le faisais, pour sa pratique.

Q. Parce qu'il achetait chez vous plutôt que d'aller acheter chez le voisin?—R. Certainement.

Q. Mais ces deux pour cent vous les chargiez sur les envois quand vous livriez la marchandise?—R. Pas du tout. Je chargeais régulier.

Q. Vous n'étiez pas pour les perdre, vous, ces deux pour cent?—R. Ma marchandise était de quinze à dix-huit pour cent et je pouvais ôter un deux pour cent pour donner une récompense à une personne qui venait m'encourager, naturellement.

Q. Vous vous trouviez à perdre deux pour cent en donnant cela au capitaine?—R. Oui, je perdais deux pour cent sur celui-là; je le faisais avec toute la navigation.

Q. Quelle navigation?—R. Ceux que j'avais, qui achetaient chez moi.

Q. Vous n'aviez pas d'autre navigation?—R. J'avais des "boatmen", c'est-à-dire tous les capitaines qui venaient chez moi j'ôtai deux pour cent; c'est un commerce régulier que je faisais d'ôter deux pour cent pour les navigateurs.

Q. Je vous ai demandé tout à l'heure si ces deux pour cent avaient été ôtés à d'autres qu'aux capitaines des navires du gouvernement, du département, vous avez dit que non?—R. Je ne l'ai pas ôté sur ma pratique privée, mais sur les navigateurs.

Q. Avez-vous vendu à d'autres navigateurs qu'aux employés du département?—R. Certainement, j'ai vendu, tous les bâtiments qui passaient, qui venaient acheter chez moi, je leur vendais.

Q. C'est ce que j'ai demandé tout à l'heure?—R. J'ai mal compris la chose, j'ai mal interprété, parce que moi je pensais que c'était pour ma pratique privée.

Q. Vous vous reprenez et vous dites que vous avez vendu à un grand nombre de bâtiments autres que le département?—R. Oui.

Q. Pouvez-vous en mentionner un?—R. Ce sont des “boats” américains, je ne remarquais pas les noms, qui venaient cinq, six, sept, huit ensemble, j'étais toujours deux pour cent.

Q. Aux capitaines de ces “boats” américains vous leur donniez deux pour cent?—R. Certainement; c'est eux autres qui nourrissent leur propre équipage.

Q. Les capitaines de bâtiments, de “dredges”?—R. C'est la même chose, c'est leur propre argent.

Q. Les capitaines des “dredges”?—R. Certainement, c'est leur bâtiment.

Q. Comment cela se fait-il que vous chargez au gouvernement?—R. Je n'ai pas chargé au gouvernement, ils ont tant pour pension c'est eux autres qui payent.

Q. Mais je vous demandais, comprenons-nous donc, vous avez vendu pour deux mille deux cent dix-huit piastres et soixante cents (\$2,218.60) au département de la Marine?—R. Cela, c'est ce qu'on appelle les “steamboats blancs”, les “steamboats” du gouvernement.

Q. Vous avez vendu aux “steamboats” du gouvernement?—R. Oui.

Q. Vous m'avez dit tout à l'heure que vous aviez l'habitude de donner deux pour cent de commission aux capitaines des bâtiments?—R. Oui.

Q. Pour eux autres. Les deux pour cent de commission, avez-vous donné deux pour cent de commission sur ces deux mille deux cent dix-huit piastres et soixante cents (\$2,218.60) là, c'est cela que je veux savoir de vous?—R. Oui, j'en ai donné, je les ai donnés aux “stewards”, mais qui n'avaient pas d'affaire au gouvernement; eux autres venaient, je leur donnais pour le trouble qu'ils se donnaient pour venir donner leurs ordres.

Q. Tout à l'heure vous avez dit que vous les donniez aux capitaines?—R. Aux capitaines des “dredges”.

Q. Les capitaines des “dredges”, dont vous m'avez parlé tout à l'heure, dont on a parlé si longtemps, le montant que vous leur avez donné est-il compris dans ces deux mille deux cent dix-huit piastres et soixante cents (\$2,218.60)?—R. Non.

Q. Il n'est pas compris là-dedans?—R. Non.

Q. Ce n'est pas chargé au département cela?—R. Non.

Q. Les deux pour cent que vous avez donnés aux capitaines?—R. Cela n'a pas d'affaire.

Q. Les marchandises ne sont pas chargées au gouvernement?—R. Non.

Q. Pour quelle raison est-ce que vous donniez deux pour cent, vous dites que c'est votre coutume?—R. C'était ma coutume de donner deux pour cent.

Q. Arrivant à ces deux mille deux cent dix-huit piastres et soixante cents (\$2,218.60), vous dites que vous avez donné deux pour cent aussi là-dessus?—R. Oui.

Q. A qui?—R. Aux “stewards”.

Q. Aux “stewards” des bâtiments blancs?—R. Aux “stewards” des bâtiments blancs.

Q. Quels étaient les “stewards”, je voudrais avoir leurs noms?—R. Un nommé Joly.

Q. Quel est son premier nom?—R. Joseph.

Q. Où demeure-t-il?—R. A Sorel.

Q. Est-il là encore?—R. Il doit être là.

Q. Que fait-il?—R. Il est “steward” encore.

Q. A bord de quel bateau?—R. Du *Lady Grey*, je pense.

Q. Ensuite?—R. Il y avait un nommé Duhamel.

Q. Quel est son premier nom?—R. Je ne connais pas son premier nom, mais il est absent de la place.

Q. Où est-il? Où puis-je le trouver?—R. Je pense qu'il est aux Etats.

Q. Est-il employé du département, du gouvernement?—R. Non.

Q. Ensuite, est-ce qu'il y en a d'autres?—R. Les autres, je ne me rappelle pas des noms, ils changeaient à tous les ans.

Q. Y en a-t-il qui sont encore à l'emploi du département?—R. Je ne sais pas cette année, je n'ai pas eu occasion de les voir.

Q. Quel est le nom que vous m'avez mentionné, Joseph Joly?—R. Joseph Joly.

Q. Combien avez-vous donné à Joseph Joly?—R. A peu près une dizaine de piastres, je suppose.

Q. En quelle année?—R. L'an dernier.

Q. Quand avez-vous donné cela?—R. A l'automne.

Q. Dans quel mois?—R. Cela doit être au mois de novembre.

Q. Est-ce lui qui est allé les demander?—R. Non, c'est moi.

Q. Racontez donc comment cela s'est passé le cadeau de dix piastres?—R. Le raconter, c'est simple; c'est que j'ai l'habitude de donner, j'avais l'habitude, c'est-à-dire, de donner deux pour cent à tous les navigateurs qui achetaient chez moi, c'est-à-dire les capitaines, et à l'automne quand l'automne était fini je leur donnais, j'additionnais le compte qu'ils avaient pris et je leur donnais le montant de deux pour cent sur l'achat qu'ils avaient fait. Ensuite, je considérais que les "stewards" se trouvaient dans la même position que les capitaines, vu qu'ils donnaient leurs ordres, qu'ils se donnaient le trouble de venir en tout temps chez moi pour donner leurs ordres, à l'automne j'additionnais et je donnais deux pour cent.

Q. Vous leur disiez aux "stewards" que vous...?—R. C'est un cadeau que je leur faisais moi-même, sans être obligé, sans être demandé par personne.

Q. Jamais les "stewards" ne vous ont demandé?—R. C'est moi-même qui leur faisais, de bon gré.

Q. Est-ce que c'était entendu partout que chez vous ils avaient deux pour cent?—R. Non, ce n'était pas entendu; c'était entendu par tout le gouvernement.

Q. Que ceux qui prenaient chez vous avaient deux pour cent à la fin de la saison?—R. Que ceux qui prenaient chez moi avaient deux pour cent à la fin de la saison.

Q. A qui avez-vous payé de la commission à part de ces deux-là?—R. J'ai payé, comme je l'ai dit, aux capitaines des "dredges", ensuite tous les "boatmen" qui passaient chez moi.

Q. Tous les propriétaires de bâtiments qui achetaient chez vous?—R. Je leur ôtais deux pour cent.

Q. Pour quelle raison n'envoyiez-vous pas ces deux pour cent au département?—R. J'aurais préféré le garder moi-même, parce que je chargeais simplement juste le montant que j'avais besoin, que je chargeais. C'est un cadeau que je faisais personnellement, je n'avais pas d'affaire à l'envoyer au gouvernement, je ne le soutirais pas du gouvernement pour leur donner, c'était dans mes profits.

Q. Vous prétendez toujours que ce n'est pas chargé ce deux pour cent?—R. Non, monsieur, ce n'était pas chargé, parce que c'étaient mes prix réguliers.

Q. Vous ne mettiez pas un petit quelque chose pour couvrir les deux pour cent à la fin de la saison?—R. Rien du tout, parce que j'avais l'habitude de marquer mes boîtes, et mes boîtes qui allaient au gouvernement, à bord des bateaux, n'étaient pas effacées, la marque était pareille.

Q. Vous n'avez pas payé de commission à part cela à personne?—R. Non, monsieur.

Q. Vous n'avez pas donné des marchandises, des cadeaux comme cela?—R. Non, rien autre chose que cela.

Q. Rien autre chose que ces deux pour cent-là?—R. Rien autre chose que ces deux pour cent.

Q. Avez-vous dit à monsieur Desbarats que vous donniez deux pour cent aux "stewards"?—R. Je n'ai jamais vu monsieur Desbarats à propos des ordres.

Q. Avez-vous dit à un des chefs de Sorel que vous donniez deux pour cent aux "stewards" comme cela qui allaient acheter chez vous?—R. Non, monsieur, jamais.

Q. Vous n'en avez pas parlé à personne?—R. Non; cela, c'était mon affaire, je n'avais pas d'affaire....

Q. Vous n'avez pas demandé à quelqu'un du département?—R. Pas du tout, monsieur.

Q. Pour demander la permission de donner ces deux pour cent?—R. Je n'avais pas besoin de demander la permission pour donner mon argent.

Q. Qui a acheté l'actif de l'ancienne société?—R. C'est une nouvelle société qui a acheté tout le grément.

Q. Vous dites que l'ancienne société a vendu à la nouvelle société?—R. Oui, monsieur.

Q. Qui a les livres de l'ancienne société?—R. Bien, j'ai regardé hier soir quand j'ai reçu mon *subpœna*, mais je n'en ai pas besoin, je veux tout dire ce qu'on a fait.

Q. Qu'est-ce que vous faites maintenant, monsieur Leclair?—R. Je suis commerçant, industriel, cinquante petites besognes.

Q. Toutes ces besognes payantes?—R. Non, j'en arrache.

Q. Qu'est-ce que fait monsieur Prud'homme?—R. Monsieur Prud'homme, il travaille ici à Montréal.

Q. Quelle espèce d'affaires que vous faisiez quand vous étiez ensemble?—R. C'est-à-dire qu'on avait du gouvernement, on avait entrepris du gouvernement, par monsieur Desbarats, à placer le charbon sur le quai des steamers, comme arrimeurs.

Q. Entendons-nous bien: Monsieur Desbarats, vous dites, vous avait donné le contrat pour placer le charbon?—R. Oui, du steamer sur le quai. On avait l'ouvrage du steamer, le steamer nous paye tant pour le décharger, après cela il faut prendre le charbon du bord du steamer pour le mettre sur le quai en tas.

Q. Quand un steamer arrivait à Sorel avec un chargement de charbon, c'est lui qui payait pour le faire décharger?—R. Oui, mais pas pour le faire placer.

Q. Vous le mettiez à combien de pieds de l'endroit?—R. Du tout, un bateau est obligé de décharger sa cargaison seulement par-dessus la "rail", il faut que vous soyez là pour le prendre.

Q. C'est vous qui étiez là pour le prendre?—R. Oui.

Q. Et c'est monsieur Desbarats qui vous donnait ce contrat-là?—R. Oui, avant monsieur Desbarats enfin, depuis à venir jusqu'à mil neuf cent quatre (1904) on avait toujours eu cela, pendant dix à douze ans, je pense.

Q. Vous avez retiré trois mille deux cent soixante et dix-huit piastres et quatre-vingt-une cents (\$3,278.81) du gouvernement pour cela?—R. Oui, monsieur.

Q. Cela fait pas mal d'arrimage trois mille trois cents?—R. Je pense bien.

Q. Est-ce un contrat par écrit que vous aviez?—R. Non, il nous avait donné cela comme cela, il nous avait demandé les prix.

Q. Comment étiez-vous arrangés, était-ce à la tonne?—R. A la tonne, vingt cents (20c.) par tonne.

Q. Y avait-il eu des soumissions de demandées pour cela?—R. Non, il n'y avait pas de soumissions. Bien, je ne le pense pas, ils nous avaient demandé nos prix par téléphone. Mais, dans le temps il y en avait un autre, il a tenu seulement cinq, six mois, on s'est trouvé seul pendant quelques années.

Q. Vous aviez un trust là vous autres?—R. Oui, on ne haïssait pas cela être seuls.

Q. Il n'y avait que vous autres qui pouviez décharger?—R. Oui, dans le temps.

Q. Alors vous en avez profité et vous n'avez pas manqué le département?—R. Non, on ne chargeait pas cher, on continuait à charger le même prix que les autres. Les autres, c'était en opposition et ils ne pouvaient pas le faire meilleur marché.

Q. Quand vous avez commencé à être un trust, combien avez-vous augmenté vos prix avec le département?—R. On a commencé à augmenter à trois cents (3c), après cela à deux autres; on était à quinze cents (15c.), on payait les hommes une piastre dans le temps quand on chargeait quinze cents.

Q. Celui qui était avec vous et que vous êtes venu à bout de sortir, combien chargeait-il?—R. Je pense que c'est quinze cents (15c.). On ne pouvait pas, dans les premières années, monter de suite, on attendait une petite secousse, mais cela valait ça, vous savez, il n'y a pas d'argent à faire là-dedans.

Q. Alors vous avez réussi à mettre l'autre en dehors d'affaires et ensuite vous avez commencé par monter à dix-huit cents (18c.)?—R. C'est-à-dire qu'on le payait cher pour le reculer, il ne vendait pas son grément bon marché.

Q. Vous avez été obligé d'acheter le grément de l'autre?—R. Ah, oui, et on avait trois, quatre gréments à la fin sur les bras, à mesure qu'il en venait un.

Q. Vous avez le tour de faire. . . ?—R. C'est une petite place, cela suffisait pour n.

Q. C'est pour cela que vous avez acheté le gréement de l'autre?—R. Je forçais pour cela; mais ce n'était pas pour avoir plus cher des autres, c'était pour avoir l'ouvrage tout seul, c'est parce qu'il n'y en avait pas assez pour deux, il n'y a presque pas de déchargement.

Q. Vous dites que vous avez commencé par charger quinze cents (15c.)? R. Oui, voilà vingt ans, je suppose, en chargeait cela.

Q. Il y a vingt ans que vous faites le déchargement là, vous?—R. Oui, monsieur.

Q. Et vous avez toujours eu, cela fait vingt ans que vous avez un trust là?—R. Non, on a été des "secousses" qu'on avait de la compétition, il y a deux ans cela nous faisait bien dommage.

Q. Déchargez-vous rien que pour le gouvernement?—R. Non, pour les autres compagnies; la compagnie Richelieu, la compagnie McNaughton.

Q. Vous chargiez douze?—R. Je leur ai chargé vingt-cinq cents (25c.), à la compagnie Richelieu, cinq cents de plus que le gouvernement.

Q. Pourquoi cela?—R. Parce que c'était plus difficile de le mettre en tas, plus loin.

Q. Sincennes McNaughton?—R. C'était à peu près comme le gouvernement, des fois un peu plus difficile mais on ne chargeait pas plus cher parce qu'il n'y en avait pas plus.

Q. Comme cela vous avez toujours chargé moins cher au gouvernement qu'aux autres?—R. Non, j'ai dit qu'en mil neuf cent cinq (1905) j'ai chargé cinq centins de plus à la compagnie Richelieu de la tonne, avant cela c'était tout vingt centins.

Q. Vous chargiez vingt centins à tout le monde?—R. Egalement.

Q. Si monsieur Desbarats, du département, avait demandé des soumissions dans ce temps, vous auriez peut-être été obligé de baisser?—R. On n'était pas capable rendu ce temps-là, les hommes étaient trop chers, on paye les hommes aujourd'hui jusqu'à trois piastres et demie par jour.

Q. Monsieur Leclair, vous aimez cela faire des affaires, vous?—R. Oui.

Q. Vous ne vous gênez pas, vous aimez cela?—R. Oui.

Q. S'il y avait eu des soumissions de demandées et que vous auriez vu cela annoncé, vous auriez bien baissé d'une couple de cents?—R. Non, je pouvais plutôt faire quelque chose sur le bâtiment que sur le déchargement du charbon, c'est bien de l'ouvrage, c'est sur une charrette, une élévation.

Q. Il me semble que s'il y avait eu des soumissions de demandées vous auriez bien rouvé le tour de baisser un peu?—R. Ah, non, je ne pouvais pas faire mieux, j'ai chargé vingt cents.

Q. Vous fournissiez tout le matériel, ou si c'est le gouvernement?—R. Non, on fournissait tout; le gouvernement ne fournissait rien.

Q. Le gouvernement ne fournissait rien, rien?—R. Non.

Q. Vous dites que depuis vingt ans vous avez presque toujours eu ce contrat-là?—R. Oui; je l'ai perdu en mil neuf cent quatre (1904).

Q. Parce que vous aviez demandé trop cher?—R. Non, ce n'était pas pour cela.

Q. Mais trois mille deux cent soixante et dix-huit piastres, il y a bien des tonnes de charbon?—R. Ah, oui; cette année, je pense qu'ils reçoivent vingt mille tonnes. C'est toujours des grandes quantités, quinze, dix-huit, vingt mille tonnes.

Q. Combien est-ce que vous payiez de commission pour ce contrat-là?—R. Des commissions?

Q. Oui?—R. Ah, jamais de commission.

Q. Ils ne vous donnaient pas ce contrat pour rien, il fallait payer une commission?—R. Rien du tout, pas de commission.

Q. Vous n'avez pas payé des commissions?—R. Ah, non.

Q. A personne?—R. A personne.

Q. Vous n'avez pas endossé de billets ou fait de faveurs?—R. Jamais.

Q. Vous jurez cela?—R. Oh, oui.

Q. Six mille tonnes que vous avez déchargées?—R. Plus que cela.

Q. Combien?—R. Voyez-vous, on doit avoir déchargé, cette année-là, c'est il y a deux ans, on doit décharger douze à quatorze mille par année.

Et le déposant ne dit rien de plus.

GEORGE E. BEAUCHEMIN, manufacturier, demeurant à Sorel, lequel après serment prêté sur les Saints Evangiles, dépose et dit:—

Par M. Perron:

Q. Vous êtes l'un des membres de la société Beauchemin et Cie?—R. Oui, monsieur.

Q. Est-ce une compagnie à fonds social?—R. Non, monsieur.

Q. Une compagnie commerciale?—R. Commerciale.

Q. De qui se compose cette compagnie?—R. De monsieur Ernest C. Rondeau, George Beauchemin.

Q. Vous êtes rien que tous les deux dans la société?—R. Tous les deux, monsieur.

Q. Quel genre d'affaire faites-vous?—R. C'est une manufacture, c'est-à-dire une boutique de réparations générales, on manufacture des engins, des bouilloires, des machines à gouvernail à la vapeur et des guindeaux à la vapeur.

Q. Qu'est-ce que c'est que des guindeaux à la vapeur?—R. C'est une machine qui va en avant des bâtiments pour élever l'ancre.

Q. Une grue?—R. Ce n'est pas exactement, du "winch", ce n'est pas la traduction, je l'ai vu dans les dictionnaires, il y en a qui appellent cela "treuil."

Q. Est-ce une maison considérable, monsieur Beauchemin? Faites-vous des affaires considérables?—R. Oui, on fait des affaires; cela dépend du genre d'affaires, ce n'est pas régulier. C'est en partie des réparations de moulins à scies, d'engins, enfin, quand on a un ordre, s'il y a des ordres pour des engins ou des bouilloires nécessairement on les fait; il y a des moments qu'on n'a pas grand monde, d'autres moments qu'on a beaucoup de monde.

Q. Auriez-vous objection à me dire à peu près quel est votre chiffre d'affaires par année, en moyenne, pendant disons cinq ans?—R. Je ne pourrais pas dire bien bien.

Q. Deux cent mille piastres?—R. Non, non, on ne fait pas deux cent mille piastres; non, je ne pense pas qu'on fasse deux cent mille piastres par année.

Q. Est-ce que je me trompe ou est-ce que vous êtes en compétition avec Pontbriand et Cie?—R. Cela se trouve à peu près dans le même genre d'affaires, mais il a ses clients et nous avons les nôtres.

Q. Tout de même vous êtes en compétition?—R. Bien, on n'appelle pas cela en compétition.

Q. C'est le même genre d'affaires?—R. C'est le même genre d'affaires.

Q. Maintenant, vous avez vendu au gouvernement en mil neuf cent quatre-mil neuf cent cinq (1904-1905); mil neuf cent cinq-mil neuf cent six (1905-1906) et mil neuf cent six-mil neuf cent sept (1906-1907)?—R. Oui, monsieur.

Q. Le *subpœna* vous demandait d'apporter vos livres, les avez-vous avec vous?—R. Oui, monsieur.

Q. Voulez-vous, s'il vous plaît, me montrer le compte du gouvernement pour les trois années dont je viens de vous parler?—R. Je dois vous dire, monsieur, que j'ai ici, c'est-à-dire que je n'ai pas autre chose du commencement, seulement en janvier mil neuf cent sept (1907), les autres livres je ne les ai pas. J'ai changé de système de livres, je tiens seulement ce livre-là, cela c'est tous mes comptes. Les autres je ne les ai pas.

Q. Ils sont à Sorel?—R. Non.

Q. Où sont-ils?—R. Je ne les ai pas, ç'a été détruit au fur et à mesure, quand j'ai repris ce livre-là, les comptes étaient payés. Je dois dire que je fais mes affaires

cash", que je me fais payer "cash" et je ne tiens pas de record, je ne tiens aucun cord.

Q. Avant mil neuf cent sept (1907), monsieur Beauchemin, vous teniez toujours un set de livres quelconque?—R. Non; un journal, c'est tout.

Q. Vous teniez seulement un journal?—R. Un journal. J'ai une espèce de ouillon. On prend les ordres le matin et le midi on passe dans la boutique, on demande aux hommes le temps qu'ils ont travaillé sur un ouvrage et on fait nos entrées. On a des "slips", c'est un pad, on rentre cela; même dans la manufacture Montbriand autrefois c'était sur une ardoise qu'on écrivait tout cela et ils faisaient leurs entrées dans le livre.

Q. Vous avez vendu au gouvernement pour douze mille piastres (\$12,000), ou vous avez fait des travaux pour le département pour au delà de douze mille piastres depuis mil neuf cent quatre-mil neuf cent cinq (1904-1905), mil neuf cent cinq-mil neuf cent six (1905-1906), mil neuf cent six-mil neuf cent sept (1906-1907)?—R. Oui, monsieur.

Q. C'est correct cela?—R. Oui, monsieur.

Q. Vous avez les livres de mil neuf cent sept (1907) ici?—R. Mil neuf cent sept, oui.

Q. Complètes?—R. Complètes, c'est au complet.

Q. Comment puis-je faire pour retrouver votre compte complet pour cette année, pour mil neuf cent sept, c'est cela le compte du gouvernement et vous le tenez au moyen d'en-têtes?—R. Au moyen d'en-têtes: Str. *Verchères*; Ile aux Millions; Lac Saint-Pierre n° 2; Curve Light; Hosanna; Davis New Scow; Gentilly; Back Light; Construction; Lac Saint-Pierre Ranges; Hosanna; General Account; Ile Dupas; Fixer n° 1; Ile aux Raisins; Ile des Barques; Points du Lac; Ile Ronde Pier; Pont St. Francis Pier; General Account; Harvours; Pile driver n° 1; Pile driver n° 2; Nicolet Front Light; Alpha; Gallia Bay.

Q. Vous avez le total, cela se monte à combien cette année-là?—R. Je ne l'ai pas le total.

Q. Vous ne l'avez pas additionné?—R. Non, je ne l'ai pas additionné, je n'étais pas préparé pour cela.

Q. A combien cela peut-il se monter?—R. Cela peut monter dans les deux mille cinq cents piastres, je pense.

Q. Pour mil neuf cent sept?—R. Mil neuf cent sept, oui.

Q. Maintenant expliquez-nous donc aussi complètement que possible, quel système vous suivez entre vous et le département pour ces comptes-là?—R. Le département, pour mil neuf cent sept, c'est-à-dire le département envoie des ordres, mais généralement est très difficile d'envoyer des ordres pour les réparations et de mentionner exactement l'ouvrage qu'il y a à faire sur les ordres. Ils nous envoient, c'est un morceau d'une machinerie qui est cassé, il nous l'envoie, "veuillez-donc le réparer", et on le répare et après cela on fait demander un ordre, souvent on a beaucoup de difficultés à avoir ces ordres-là.

Q. Pourquoi; parce que vous avez chargé trop cher, est-ce cela?—R. Non; ils nous envoyaient des ordres. On les a conservés un bout de temps ces ordres-là, et du moment que les comptes ont été payés...

Q. Mais comment voulez-vous maintenant que le département puisse se rendre compte si vous lui chargez un prix raisonnable ou non puisqu'il n'y a pas moyen de savoir d'avance combien vous allez charger, je parle pour ces réparations-là, n'est-ce pas?—R. Oui, nécessairement ces comptes sont chéqués.

Q. Par qui?—R. Par les employés, les ingénieurs civils qui sont nommés expressément pour cela, et les "foremen".

Q. Est-ce qu'il y en a à Sorel des ingénieurs civils ou des "foremen" qui sont en position de pouvoir vous chéquier, puis connaissent suffisamment l'ouvrage pour pouvoir voir si vous êtes raisonnable, oui ou non?—R. Je crois qu'ils sont placés là pour cela.

Q. Qui est-ce; donnez-donc les noms de ces gens-là, qui sont sensés surveiller vos charges?—R. D'abord il y a monsieur... dans le temps monsieur Desbarats, monsieur Goffsky, monsieur Stedwardy.

Q. Dans dans ce temps-là, je prends mil neuf cent sept puisque vous n'avez pas vos livres pour les autres années, dans ce compte-là, est-ce rien que des réparations cela?—R. Non, il y a des machines.

Q. Vous avez vendu des machines?—R. Des machines.

Q. Voulez-vous m'en indiquer une, la plus forte, celle qui a coûté le plus cher, prenez la plus grosse?—R. Steamer *Hosanna*, six cents piastres (\$600).

Q. Qu'est-ce que c'est que vous avez vendu?—R. *One steam and combine*

Q. Qu'est-ce que c'était, pour cette machine-là?—R. Un guindeau, un "steam windlass".

Q. Six cents piastres?—R. Six cents piastres.

Q. Qui vous a donné l'ordre pour ce guindeau-là?—R. C'est monsieur Bazinet.

Q. Monsieur Bazinet, qu'est-ce qu'il est actuellement?—R. Quel est son titre? Il doit être surintendant des travaux de la construction.

Q. Est-ce qu'on a demandé des soumissions pour cela?—R. Oui, monsieur.

Q. Il y a eu des soumissions de demandées?—R. Oui, monsieur.

Q. A qui?—R. A moi. On m'en a demandé une, j'ai donné un prix.

Q. Rien qu'à vous, je suppose, qu'il y en eut de demandé, c'est comme cela que vous avez eu le contrat?—R. Je l'ignore.

Q. Est-ce qu'il vous est arrivé de faire des soumissions et ne pas avoir de contrat?—R. Oui, monsieur.

Q. Pour des machines semblables à celle-ci?—R. Non, pas semblables à celle-là; j'ai mis souvent des soumissions pour des machines semblables à celle-là et je n'en ai jamais entendu parler, je ne sais pas s'ils l'ont achetée ailleurs.

Q. Pour celle-ci vous dites qu'une soumission a été demandée?—R. Oui, monsieur.

Q. Alors pour tâcher de se comprendre un peu dans ce compte-là, me dites-vous qu'en dehors des réparations que vous faites toutes les autres sommes qui sont chargées dans ce livre-là sont des contrats que vous avez obtenus après demande de soumission?—R. Demande de soumission.

Q. Est-ce là votre prétention, afin d'éclaircir la chose?—R. C'est cela, c'est exactement cela.

Q. De sorte que vos transactions avec le département sont de deux genres: les réparations que vous faites sans demande de soumission, sur des ordres pur et simple de qui?—R. Des différents chefs des départements.

Q. Et des machines ou autres choses, des contrats que vous remplissez après demande de soumission?—R. Oui, monsieur.

Q. C'est comme cela que vos transactions se font avec le département?—R. Oui, monsieur.

Q. Sur le guindeau de six cents piastres que vous avez vendu, combien avez-vous fait de profits là-dessus, qu'on teste cela comment est-ce que vous vous arrangez avec le département?—R. On doit faire quinze pour cent (15 pour 100).

Q. Plus que cela?—R. Pas beaucoup, je ne pense pas: quinze pour cent, on calcule cela quinze pour cent de profits.

Q. Sur le guindeau?—R. Oui.

Q. Des particuliers, combien est-ce qu'ils payent, sept, huit?—R. Les particuliers payent le même prix que le gouvernement, on a des demandes de soumissions des particuliers la même chose que pour le gouvernement et ils payent le même prix.

Q. Toujours un peu plus cher au gouvernement?—R. Rien du tout de plus cher au gouvernement, le même prix.

Q. Sur le compte, comme celui que vous venez de me montrer, un compte de près de trois mille piastres, combien est-ce que cela vous a rapporté à la fin de dix-neuf cent sept (1907)?—R. C'est à peu près, c'est basé là-dessus sur quinze pour cent de profit.

Q. Est-ce le profit net cela?—R. Le profit net.

Q. Toutes vos dépenses payées?—R. Profit net, dépenses payées.

Q. Toutes vos dépenses d'office, tout est payé?—R. Toutes mes dépenses d'office, tout payé.

Q. Il vous reste quinze pour cent?—R. Quinze pour cent, c'est cela que j'ai calculé.

Q. Combien est-ce que cela vous coûte pour vos offices?—R. Bien...

Q. C'est parce que je voudrais savoir quel est le profit grosse que vous faites, le profit brut?—R. Je n'ai jamais calculé pour rentrer dans ces détails.

Q. Ces réparations que vous faites à votre gré, est-ce qu'il n'y aurait pas moyen de faire faire cela par demandes de soumission?—R. C'est impossible.

Q. Pourquoi cela?—R. Parce qu'on ne sait pas exactement le temps que cela va prendre pour faire ces ouvrages-là, et ce n'est pas seulement pour le gouvernement, il y a la compagnie Richelieu et la Sincennes McNaughton et d'autres particuliers, une suite de mes pratiques, qui viennent à ma boutique, je ne veux pas leur donner aucun prix sur des réparations semblables, je dis: on fera l'ouvrage et on vous chargera un prix modéré, et c'est la manière que je transige avec mes pratiques.

Q. Monsieur Beauchemin, si le département disait: Vous allez me faire un prix vous n'aurez pas la réparation, vous feriez bien un prix?—R. Non, monsieur.

Q. Vous manqueriez la "job"?—R. Oui, parce qu'ils me l'ont déjà demandé et j'ai refusé.

Q. Mais pourquoi cela, il n'y a pas assez d'argent quand vous faites un prix, c'est cela?—R. Non, ce n'est pas cela.

Q. Pourquoi? Pourquoi refusez-vous de faire des prix comme cela—R. Parce que c'est contre nos règlements, on ne veut pas; on fait des prix sur des machines complètes, des machines neuves, on va vous faire un engin, on va faire un prix, si vous voulez avoir une chaudière neuve on va faire un prix, mais dans les réparations justement on ne peut pas calculer exactement où les dommages sont rendus, car peut-être qu'en ayant la pièce de machinerie dans notre manufacture, en la défaisant pour la réparer on va s'apercevoir qu'il y a un autre morceau de défectueux et on serait obligé de le réparer à nos frais, c'est pourquoi on ne veut pas mettre de prix.

Q. Pas plus pour le gouvernement que pour d'autres?—R. Personne.

Q. Maintenant, êtes-vous les seuls à Sorel qui ayez cette ligne de conduite?—R. Je ne sais pas comment les autres mènent leurs affaires, je ne m'en occupe pas.

Q. Chacun à ses affaires?—R. Chacun à ses affaires.

Q. Comme question de fait, savez-vous si les autres manufacturiers du même genre que vous à Sorel refusent également de donner des prix pour des réparations qu'il y a à faire?—R. Je crois, monsieur, que les autres manufacturiers, ceux qui ont les trouver pour faire faire de l'ouvrage savent exactement que c'est une coutume établie et qu'ils doivent nécessairement leur porter leur ouvrage et leur dire: "Réparez-moi-donc cela". Le compte vient après, ils le discutent ou bien donc il le payent.

Q. Vous avouerez que ce n'est pas bien satisfaisant pour personne, car les gens ont entièrement entre vos mains, pratiquement parlant?—R. Ils peuvent aller ailleurs, ou ils peuvent partir boutique eux-mêmes.

Q. Combien est-ce que cela vous coûte de commission par année ces ordres-là?—R. Vous voulez dire pour avoir des ordres combien je paye de commission; pas un seul sou.

Q. Toutes ces réparations, de douze mille piastres en trois ans, voyons?—R. Pas un seul sou.

Q. Certainement que vous avez été assez généreux pour aider quelques-uns des employés, combien avez-vous payé?—R. Pas une seule cent.

Q. A personne?—R. A personne, à qui que ce soit.

Q. Vous avez toujours refusé?—R. Ils ne me l'ont jamais demandé, ensuite je ne l'ai jamais offert.

Q. Personne vous a demandé de commission sur ce montant considérable de réparations que vous faites tous les ans pour tout le monde?—R. Personne.

Q. Vous avez affaire vous à combien d'employés du département? Je vois par la liste de réparations que vous faites des réparations pour un grand nombre de personnes?—R. Pour à peu près.... bien....

Q. Vous avez l'*Hosanna*?—R. Ce n'est pas eux-autres mêmes, les ordres viennent des premiers, les ordres sont signés; s'ils ont besoin de quelque chose ce n'est pas moi qui va les voir pour cela.

Q. Dites-donc généralement qui vous voyez pour les ordres que vous avez obtenus pendant les trois ans que j'ai mentionnés, ces douze mille cinq cents piastres que vous avez?—R. Il y a eu monsieur Roy; il y a eu monsieur Boucher; il y a eu monsieur Desbarats et monsieur Arcand.

Q. Là-dessus il y en a trois qui ne sont plus à l'emploi du département? Monsieur Roy n'est plus à l'emploi du département?—R. Je ignore.

Q. Vous ne le savez pas?—R. Non, monsieur.

Q. Vous ne vous occupez pas beaucoup de ceux qui sont là? Vous êtes indépendant d'eux-autres?—R. Ce n'est pas que je suis indépendant.

Q. Vous, vous n'avez pas besoin d'eux-autres pour avoir vos ordres?—R. Monsieur Roy est parti de Sorel depuis un certain nombre d'années, deux ans, je crois.

Q. Maintenant monsieur Boucher, ou aucun des employés, aucun de ces employés-là, vous êtes en rapports constant avec vous?—R. Souvent.

Q. Ils vont vous voir lorsqu'il y a des réparations à faire?—R. Non, non.

Q. Pendant le cours des réparations est-ce qu'ils ne vont pas faire des visites chez vous, voir ce qui se passe?—R. Oui, ils venaient voir si l'ouvrage marchait, ils nous pressaient.

Q. Pendant toutes ces visites, ces conversations que vous avez eues ensemble, est-ce qu'il n'a pas été question dans le temps qu'une petite rémunération serait bien vue, que cela ferait marcher les affaires vite?—R. Ah, il n'en a jamais été question.

Q. Positivement?—R. Positivement, je le jure.

Q. Maintenant pourriez-vous, est-ce qu'il est possible, en examinant vos livres, de vérifier si vous chargez plus cher au département qu'à vos autres pratiques?—R. Comme je vous l'ai dit tout à l'heure je chargeais le même prix au gouvernement qu'à mes autres pratiques, exactement le même prix.

Q. En vérifiant par vos livres, est-ce qu'il n'y aurait pas moyen de trouver cela?—R. Oui, je pense que oui.

Q. Quel système faudrait-il suivre?—R. C'est joliment difficile par rapport que c'est tous des ouvrages différents.

Q. C'est pour cela que je vous demande si en examinant vos livres avec soin il n'y a pas moyen de trouver si vous chargez plus cher au département qu'aux autres?—R. Je ne pense pas, c'est tous des ouvrages différents.

Q. Avez-vous dans ces livres le nom d'un client général pour le compte duquel vous auriez fait le même ouvrage que pour le département?—R. Non, monsieur.

Q. Vous n'en avez pas?—R. Non, monsieur.

Q. Dites-vous que vous n'avez pas fait pour des particuliers, disons en mil neuf cent sept (1907) même genre d'ouvrage de réparations que vous avez fait pour le département?—R. Non, non je n'en ai pas fait.

Q. Pas un seul?—R. Pas un seul.

Et le déposant ne dit rien de plus.

Mr. WATSON.—I do not think, my lord, my learned friend and I can proceed any further to-day. I am very sorry, my lord, it has not been found convenient to provide any other court room than the present. Owing to the weather, and particularly having regard to the ventilation in the room, it is very trying, in fact very exhausting to do anything like arduous work.

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Mr. WATSON.—We will do our utmost, my lord. Personally, I am quite sure I am fully as anxious as your lordship is or any one else can possibly be to have the matter completed and be free from further responsibility.

Hon. Mr. CASSELS.—I quite understand. The difference between Judge and counsel is that counsel sometimes like to fill two places, to hold two briefs instead of one. I think we must go on continuously after the next appointment.

Mr. WATSON.—Yes, my lord, we will do our utmost in regard to the matter.

Hon. Mr. CASSELS.—You see, Tuesday will be the 6th of October.

Mr. WATSON.—I thought it was the third, I was mistaken.

Hon. Mr. CASSELS.—Could not you meet on the preceding Tuesday, that would be the 29th of September?

Mr. WATSON.—No, my lord, I could not possibly do so. I have been relying upon the understanding and arrangement I discussed with your lordship before we separated in the latter part of June.

Hon. Mr. CASSELS.—I understood you had an important case in the latter part of September that would make it absolutely impossible for you to go on. But what I want to impress upon you is that when we resume it has got to be a continuous hearing. All these gentlemen are lying under a cloud and the Exchequer Court business is being tangled up. Say Tuesday the 6th of October. Make arrangements for resuming at Montreal on the 6th of October and in Quebec on the 13th of October, and in the meantime I think Mr. Perron should get the witnesses in Quebec ready.

Mr. WATSON.—We will use every possible effort your lordship may be quite assured, and we will have an opportunity of communicating with your lordship from time to time as may be deemed necessary.

Hon. Mr. CASSELS.—My memorandum opening the Commission laid down what has to be proved. There cannot be any trouble in getting the witnesses.

Mr. WATSON.—I have no doubt I will have an opportunity of conferring with your lordship several times between now and the time we resume.

Hon. Mr. CASSELS.—Mr. Gregory, of Quebec, is under suspicion, he is entitled to have the case heard.

Adjourned at 4:10 p.m. September 11th to 10:30 a.m. Tuesday, October 6th, at Montreal.

MONTREAL, Tuesday, October 6, 1908, 10:30 a.m.

Counsel not being ready the Honourable Mr. Cassels adjourned to 11 a.m.

G. H. Watson, K.C. and J. L. Perron, K.C., appear as counsel assisting in the investigation.

Mr. WATSON.—We are taking the Sorel witnesses, my lord.

ALFRED BEAUCHEMIN, manufacturier, de Sorel, âgé de trente-huit ans, est assermenté, et il dépose comme suit:—

Par M. Perron:

Q. Quelle est votre occupation, monsieur Beauchemin?—R. Je suis manufacturier.

Q. De quoi?—R. De toutes sortes de choses dans la construction.

Q. Etes-vous intéressé dans la société commerciale Beauchemin et Fils?—R. Oui, monsieur, c'est moi qui en suis le gérant.

Q. Quelle espèce de compagnie est-ce?—R. Compagnie incorporée.

Q. C'est une compagnie incorporée?—R. C'est une compagnie incorporée sous le nom de "Beauchemin et Fils, limitée".

- Q. Depuis combien d'années êtes-vous organisés en compagnie à fonds social?—
R. Depuis maintenant dix ans.
- Q. Depuis dix ans?—R. Dix ans.
- Q. Et vous dites que le nom de la compagnie est "Beauchemin et Fils, limitée"?—
R. Oui.
- Q. Connaissez-vous à Sorel une autre compagnie connue sous le nom de "Beauchemin et Fils", seulement, non limitée?—R. Non, c'est la seule.
- Q. Quelle position occupez-vous dans la compagnie Beauchemin et Fils?—R. J'en suis le gérant.
- Q. Qui est le président de la compagnie?—R. Philippe Beauchemin.... Actuellement, c'est moi qui suis le président—président et gérant.
- Q. Depuis combien d'années cette compagnie existait-elle avant d'avoir été incorporée?—R. Ah, cinquante ans.
- Q. Toujours dans le même genre d'affaires?—R. Toujours dans le même genre d'affaires.
- Q. Avez-vous vos livres avec vous?—R. Non.
- Q. Le *subpœna* vous demandait d'avoir avec vous vos livres pour les années 1903-04, 1904-05, 1905-06 et 1906-07?—R. Je les avais apportés la dernière fois; cette fois-ci, je n'en voyais aucune nécessité.
- Q. Avez-vous une idée pour combien vous avez vendu au gouvernement, disons, pour l'année 1904-05, par exemple?—R. Trois mille piastres (\$3,000), plus ou moins.
- Q. Vous ne vous trompez pas?—R. Non—je pense que c'est moins.
- Q. J'ai devant moi le rapport de l'auditeur général pour l'année dix-neuf cent quatre, dix-neuf cent cinq (1904-05), et je trouve à la page 156:—
"Beauchemin et Fils, Sorel—Castings—10,548 livres, à 3 cents;
"642 livres, à 10 cents".....?—R. 10 cents, c'est du "brass", ce n'est pas du "casting".
- Q. Le rapport dit "castings"?—R. Il a tort; je nie ce rapport-là.
- Q. Je vais vous le lire, et ensuite vous me direz ce que vous avez à dire là-dessus. (Lisant du rapport) "642 livres, à 10 cents"; "621 livres, à 30 cents (castings)"; "One gasoline launch, \$890"?—R. Cela, c'est un contrat.
- Q. La société Beauchemin et Fils dont il est question ici, c'est la même société que Beauchemin et Fils, limitée, dont vous êtes le gérant et le président?—R. C'est la même chose.
- Q. Maintenant, ces 10,549 livres de "castings", à qui avez-vous vendu cela?—
R. Au département de la Marine et des Pêcheries.
- Q. Quel est l'officier qui a acheté de vous?—R. M. Desbarats.
- Q. Est-ce un ordre ou est-ce un contrat?—R. Tout par ordres, par réquisitions, de 100 cents livres, mille livres, quinze cents livres, deux mille livres chacun.
- Q. Dois-je comprendre que c'étaient des ordres qu'il vous donnait sans demander de soumissions?—R. Ces choses-là, c'était demandé sans soumissions. Les prix établis par le gouvernement étaient les prix fixés. Ils nous apportaient les réquisitions, bien souvent l'ouvrage était fait, parce que le prix était toujours entendu.
- Q. Je comprends cela: vous voulez dire que le prix était entendu d'avance?—
R. Entendu d'avance et convenu par le gouvernement.
- Q. Mais comment arriviez-vous à fixer les prix? Prenons, par exemple, cet achat de 10,549 livres de "castings", à 3 cents; comment êtes-vous arrivés à fixer le prix de 3 cents pour ces "castings"?—R. Ce n'est pas nous c'est le gouvernement qui l'a fixé. Nous l'avons accepté, c'est tout. Nous n'avons jamais fixé de prix au gouvernement.
- Q. Dois-je comprendre que le gouvernement allait vous trouver et vous disait: nous vous donnerons trois cents pour du "casting"?—R. Il nous envoyait une réquisition pour tant de morceaux, à trois cents la livre, et nous acceptions la réquisition et nous faisions l'ouvrage.
- Q. C'étaient pour les bâtiments, ces castings-là?—R. Pour le département de la Marine et des Pêcheries.

Q. Mais pour quel objet—R. Ah, je ne sais pas.

Q. Vous ne savez pas à quoi étaient destinés ces castings-là?—R. Non.

Q. Ce que je ne comprends pas beaucoup, c'est comment le gouvernement pouvait fixer les prix. Sur quoi le département se basait-il pour fixer ces prix de trois cents la livre?—R. Depuis vingt-cinq ans, les prix sont établis à trois cents; sous tous les règnes, conservateurs comme libéraux, le prix de trois cents la livre était le prix fixé; depuis 1878 le gouvernement payait trois cents la livre. Alors, nous n'avions rien à dire; on nous apportait les réquisitions et nous les remplissions.

Q. Vous dites que depuis 1878 le prix des "castings" a toujours été de trois cents?—R. De trois cents la livre pour le "grey casting."

Q. Qu'est-ce que c'est que cela?—R. De la fonte moulée dans le sable vert.

Q. C'est de la fonte moulée dans le sable vert?—R. Oui.

Q. Combien y a-t-il de manufacturiers à Sorel qui font ce casting-là—R. Il y en a quatre.

Q. Qui sont-ils?—R. La Compagnie Pontbriand, Limitée, la compagnie des Grils Brevetés, la *Richelieu Foundry Company* et Beauchemin et Fils,—je me mets le dernier.

Q. Vendiez-vous de ces castings-là à d'autres personnes que le département de la Marine?—R. Oui, monsieur, nous en vendions à beaucoup de compagnies et de particuliers.

Q. Quelles compagnies?—R. En général.... Je n'ai pas besoin de mentionner toutes les compagnies avec qui je fais affaires.

Q. C'est-à-dire que vous ne tenez pas à donner les noms de vos clients?—R. Mon commerce est étendu avec différentes compagnies, et je ne tiens pas à donner aucune compagnie avec qui je transige.

Q. Maintenant, M. Beauchemin, quand vous vendez à d'autres compagnies—sans mentionner leurs noms—les castings qui sont mentionnés ici, quel prix les vendez-vous?—R. Le même prix, trois cents la livre—quand c'est dans la même sorte de matériaux, les mêmes matériaux que ceux-là.

Q. Cependant, les compagnies à qui vous vendez, en dehors du département de la Marine, doivent donner des ordres moins considérables que le département de la Marine?—R. Plus considérables.

Q. Plus considérables?—R. Plus considérables que le département de la Marine.

Q. Et vous ne leur faites pas de réduction?—R. Non, monsieur.

Q. En dehors de M. Desbarats, qui, dites-vous, vous donnait les ordres pour ce casting-là, quels sont les employés que vous voyiez relativement aux ordres, pour remplir les ordres, ou pour livrer la marchandise, pour vous assurer des mesures?—R. Les ingénieurs du département.

Q. Quels étaient-ils ces ingénieurs-là, quels sont leurs noms?—R. M. Desbarats, M. Cosky.

Q. Est-il à l'emploi du département, M. Cosky?—R. Il est à l'emploi du département.

Q. A Sorel?—R. A Sorel.

Q. Ce sont les deux seuls que vous voyiez?—R. Voulez-vous parler des employés qui venaient porter la marchandise? Je parle, moi, des ingénieurs qui ont affaire aux ordres, et ce sont MM. Cosky et Desbarats.

Q. Non, mais, M. Beauchemin, ce que je veux savoir de vous ce sont les noms des employés avec lesquels vous avez eu des relations relativement à ces ordres-là, de quelque nature qu'aient été ces relations?—R. M. Desbarats.

Q. Maintenant, nous allons laisser de côté les autres item, qui sont chargés à dix cents et à trente cents—sauf que je voudrais bien savoir de vous quelle est la raison pour laquelle il y a une si grande différence de prix entre les ordres à trois cents et ces ordres-là?—R. C'est que les ordres qui sont comptés à dix cents la livre, c'est seulement pour faire l'ouvrage; c'est de l'ouvrage en cuivre. Le livre ne dit pas tel qu'il devrait dire.

Q. Vous prétendez qu'il y a une erreur dans le rapport?—R. Oui.

Q. J'en vois à dix cents?—R. Cela, c'est pour l'ouvrage.

Q. Cela, c'est pour l'ouvrage seulement?—R. C'est pour l'ouvrage en cuivre, pour couler l'ouvrage en cuivre.

Le cuivre vous était fourni par le département?—R. Par le département.

Q. Vous ne vendiez pas la marchandise, vous faisiez simplement le coulage?—R. Le coulage.

Q. Maintenant, qu'est-ce que vous avez à dire quant à ceux qui sont chargés à dix cents?—R. Ceux-là, c'est lorsque nous fournissions le cuivre.

Q. Maintenant, arrivons donc au yatch à gazoline—\$890. Quelle espèce de yatch à gazoline était-ce, cela?—R. C'était un yatch de 25 pieds de long, bâti pour le *Frontenac*, le tug *Le Frontenac*, avec des réservoirs en avant et en arrière, avec engin à double cylindre de cinq forces chacun—dont le contrat a été pris à mille piastres et réduit par l'ingénieur du gouvernement à huit cent quatre-vingt-dix piastres.

Q. Comment se fait-il que le contrat ait été réduit de cent dix piastres?—R. L'ingénieur du gouvernement prétendant qu'il y avait différentes petites obstructions dans l'engin, il a réduit le prix de cent dix piastres.

Q. Il prétendait que l'engin n'était pas conforme à votre contrat?—R. Oui.

Q. Il avait raison, je suppose?—Eh, oui.

Q. Alors vous avez consenti à réduire le prix du contrat de cent dix piastres?—R. De cent dix piastres.

Q. Vous dites que vous aviez un contrat pour cela?—R. Oui.

Q. Est-ce que des soumissions avaient été demandées pour ce yatch?—R. Ah, je ne sais pas.

Q. Vous n'en avez pas entendu parler?—R. Je n'avais pas d'affaire à savoir si on avait demandé à un tel ou un tel de faire des soumissions. Ils nous ont demandé de donner un prix, nous avons fait notre prix, le contrat nous a été donné, nous avons construit le yatch et nous en avons été payé.

Q. Mais ça n'est pas dans votre ligne ordinaire que la construction des yatches à gazoline?—R. Oui.

Q. C'est dans votre ligne ordinaire, le commerce des yatches à gazoline?—R. Toutes sortes de vaisseaux.

Q. Vous êtes constructeur de navires, alors?—R. Toutes sortes de navires, depuis dix pieds à mille pieds.

Q. Quel est l'employé avec lequel vous avez eu affaire relativement à ce yatch à gazoline?—R. Le département de la Marine et des Pêcheries.

Q. Oui, mais spécialement, qui représentait le département de la Marine et des Pêcheries relativement à cela?—R. M. Cowie.

Q. C'est avec M. Cowie que vous avez transigé?—R. Oui.

Q. C'est avec lui que vous avez fait le contrat?—R. C'est avec lui que j'ai fait le contrat—avec le département de la Marine et des Pêcheries, pas avec M. Cowie.

Q. Mais c'est M. Cowie qui représentait le département de la Marine?—R. C'est M. Cowie qui m'a coupé cent dix piastres.

Q. Est-ce à lui que vous avez eu affaire?—R. C'est lui qui est venu pour me couper cent dix piastres sur mon contrat.

Q. Ce que je veux savoir de vous, monsieur Beauchemin, c'est quel est l'employé avec lequel vous avez vu lorsque vous avez obtenu le contrat. C'est cela que je voudrais savoir?—R. C'est monsieur le ministre que j'ai vu, c'est monsieur le ministre qui m'a donné le contrat.

Q. Quand avez-vous fait cela?—R. Voulez-vous avoir la date?

Q. Oui, à peu près?—R. C'était en dix-neuf cent six (1906).

Q. Je vois que vous avez vendu également près de 71,000 pieds de bois?—R. Hein?

Q. 71,000 pieds de bois?—R. ... Ah oui.

Q. A \$28 le mille?—R. Oui.

Q. Du pin blanc?—R. Oui.

Q. Vous n'êtes pas marchand de bois—R. Oui, monsieur. Nous sommes manufacturiers dans toutes les lignes qui se présentent dans le commerce comme manufacturiers; nos en-têtes de lettres le mentionnent.

Q. Mais vous ne manufacturez toujours pas du bois?—R. Je ne le fais pas, le bois, il pousse dans la forêt, monsieur.

Q. Vous ne tenez pas de clos de bois, non plus?—R. Non, monsieur.

Q. Comment se fait-il que vous êtes arrivé à vendre 71,000 pieds de bois au gouvernement?—R. Le gouvernement avait besoin de bois, je lui en ai offert, le prix était satisfaisant, ils l'ont acheté.

Q. Comment se fait-il que vous aviez ce bois-là chez vous, 71,000 pieds de bois?—R. On en achète. Je puis vous en vendre cent mille pieds, si vous en voulez, aujourd'hui même.

Q. Que vous avez en stock là-bas?—R. Je suis prêt à vous le livrer demain.

Q. A qui avez-vous vendu ce bois-là?—R. Au département de la Marine et des Pêcheries.

Q. Qui est allé vous voir à ce sujet-là?—R. C'est moi qui suis allé voir M. Desbarats et je le lui ai vendu.

Q. C'est vous qui avez été offrir le bois à M. Desbarats?—R. Oui.

Q. Il vous embarrassait ce bois-là?—R. Pardon, jamais ça ne nous embarrasse; notre commerce ne nous embarrasse pas.

Q. Comment se fait-il que soyez allé offrir du bois à M. Desbarats?—R. C'était mon commerce. Et si je veux aller offrir ma marchandise, c'est mon affaire.

Q. Ce pin blanc-là, c'est du pin de la Virginie?—R. Pardon, du pin du pays.

Q. A vingt-huit piastres le mille?—R. Oui.

Q. Il vous en coûtait dix à vous autres?—R. Pardon, je ne suis pas obligé de vous dire combien il me coûtait.

Q. Où aviez-vous acheté cela?—R. Je l'avais acheté dans le pays.

Q. Vous n'avez pas d'objection à nous dire combien il coûtait?—R. Pardon, vous ne pouvez pas me forcer à vous dire le prix qu'il nous coûtait.

Q. Mais, sans vous forcer, de bonne volonté?—R. Non, monsieur, je ne vous le dirai pas.

Q. Pourquoi cela?—R. Parce que c'est mon affaire. Dans le commerce, nous ne sommes pas obligés de dire le prix que nous payons notre marchandise. Le prix vendant est là; mais le prix que nous payons, nous ne sommes pas obligés de le dire.

Q. Vous n'avez pas d'objection à dire combien vous avez fait de profit là-dessus?—R. Cela, c'est mon affaire.

Q. Mais enfin...?—R. Du tout.

Q. A combien cela se montait-il en tout; dix-neuf cent soixante piastres?—R. A peu près, oui.

Q. Pourquoi ne pas me dire le profit que vous avez fait?—R. Je ne vois pas pourquoi je vais venir à la cour vous dire les profits que je peux faire à la manufacture; je ne vois pas pourquoi on va m'obliger de donner tous les détails de mon commerce au public. Non.

Q. Je ne vous demande pas le montant d'argent, je vous demande à peu près le pourcentage du profit que vous auriez pu faire sur cette transaction-là?—R. Je ne dois pas le dire, et je ne le dirai pas.

Q. Vingt-cinq piastres le mille pieds, dans le temps, lorsque vous avez vendu cela, c'était au-dessus du prix du marché?—R. Pardon; ça valait vingt-neuf piastres ailleurs—à Montréal, ici.

Q. Comment savez-vous cela?—R. Parce que j'ai demandé les prix à Montréal, chez Brennan, chez tous les grands commerçants de bois à Montréal.

Q. Comment expliquez-vous, alors, que si vous pouviez vendre ce pin-là vingt-neuf piastres le mille pieds à Montréal que vous l'avez vendu vingt-huit piastres au département?—R. C'était pour avoir l'ordre, pour avoir la commande.

Q. Qu'est-ce que cela vous donnait d'avoir la commande?—R. Eh, bien, si je pouvais à vendre le bois à vingt-huit piastres, vingt-huit piastres faisaient mon affaire, je le vendais; tandis qu'autrement des compagnies de Montréal l'auraient vendu.

Q. Quelle espèce de pin était-ce cela?—R. Du pin blanc.

Q. Oui, je comprends, mais je voudrais avoir la qualité de ce pin blanc. Numéro un? numéro deux?—R. Mêlé; mais seulement un et deux, choisi.

Q. Mêlé?—R. Oui.

Q. Et vous dites que ça valait vingt-neuf piastres à Montréal? Je ne comprends pas alors que vous l'ayiez vendu pour vingt-huit piastres, si vous pouviez en avoir vingt-neuf piastres à Montréal?—R. Ce n'est pas moi qui pouvais vendre à Montréal, les marchands de Montréal demandaient vingt-neuf piastres.

Q. A qui?—R. A nous.

Q. Et au département?—R. Ah, je n'entre pas dans le commerce des étrangers.

Q. Pourquoi vous êtes-vous informé du prix du pin blanc?—R. Pour ma satisfaction.

Q. Maintenant, A. E. Beauchemin, est-ce vous, cela?—R. Non, monsieur.

Q. Ce n'est pas la même personne?—R. Non.

Q. Votre nom est Alfred?—R. Alfred Beauchemin, oui.

Q. Ce sont là à peu près toutes les ventes que vous avez faites au département dans l'année 1904-05: Trois mille cinq cent soixante-sept piastres et quatre-vingt-douze cents (\$3,567.92)?—R. Bien, non. Vous avez de la fonte qui est mentionnée à trente cents la livre, je l'ai vendue trois cents. Il doit y avoir une erreur dans le livre.

Q. Nous allons prendre l'année 1905-06 maintenant. Combien avez-vous vendu, M. Beauchemin, en 1905-06?—R. Ah, très peu.... Je crois que c'est cela que vous m'avez demandé tout à l'heure, 1905-06.... Non, c'était 1904-05 tout à l'heure.... Le bois-là a été acheté de tous les cultivateurs et scié par les moulins de la province de Québec.

Q. Voulez-vous dire combien vous avez fait de profit, quel pourcentage de profit vous avez fait?—R. Ah, non, du tout.

Q. Trente pour cent?—R. Je ne vois pas pourquoi je le dirais.

Q. C'est parce que c'est un profit exorbitant que vous ne voulez pas le dire?—R. Pardonnez-moi. C'est une chose que je ne dois pas dire, ça ne concerne que moi.

Q. Faites-vous affaire avec les habitants du comté généralement?—R. Nous faisons affaire avec tous les cultivateurs de la province de Québec—avec tous les cultivateurs de la province de Québec en général, dans tous les comtés de la province.

Q. Qu'est-ce que vous leur vendez?—R. Des machines agricoles.

Q. Dois-je comprendre que ce bois-là vous l'aviez eu en échange des machines agricoles que vous aviez vendues aux cultivateurs?—R. Je ne puis rendre compte de cela.

Q. Prenons donc 1905-06, M. Beauchemin: Pour combien avez-vous vendu au département dans cette année-là?—R. De sept à huit mille piastres.

Q. Quels étaient les gros montants cette année-là?—R. Tous des petits montants.

Q. Des contrats de l'ouvrage à la journée?—R. Non, pas de contrats, tel que 1904-05, la première année, sur réquisitions de M. Desbarats.

Q. Êtes-vous capable de me donner les principales ventes que vous avez faites dans ce montant de sept à huit mille piastres? Il doit y avoir là-dedans des grosses ventes?—R. Non, monsieur, jamais de réquisitions au delà de cent cinquante piastres—deux cents piastres, le plus.

Q. C'est de la fonte que vous avez vendue?—R. De la fonte, oui, à trois cents la livre.

Q. Tout de la fonte à trois cents?—R. Il y a la fonte faite dans le sable sec, qui est à quatre cents. Il y a peut-être de celle-là.

Q. Quelle différence y a-t-il entre les deux fontes?—R. Il y en a une qui est ééchée dans le fourneau et l'autre ne l'est pas.

Q. Il y en a une qui est plus durable que l'autre?—R. Non, c'est la même qualité de fonte, seulement les moules sont supérieurs.

Q. Mieux finis?—R. Le fini de la fonte est supérieur.

Q. C'est le fini qui est supérieur?—R. Oui.

Q. Plus dispendieux à manufacturer?—R. Oui.

Q. Vous avez tout vendu à trois cents?—R. Trois et quatre cents.

Q. Vous n'avez pas vendu de yatch cette année-là?—R. Non; l'autre année, après.

Q. Cette année-là vous n'en avez pas vendu?—R. Non.

Q. Avec qui avez-vous fait affaire cette année-là?—R. Avec M. Desbarats.

Q. C'est le seul que vous avez vu cette année-là?—R. Oui, et ses assistants.

Q. Ses assistants, c'étaient monsieur...?—R. Cosky... les mêmes que l'année précédente.

Q. Est-ce que vous n'avez pas fait quelque chose avec le département, vous, personnellement, Alfred Beauchemin?—R. Un contrat de pierre.

Q. Pour quel montant?—R. La première année?

Q. Oui?—R. Vingt mille piastres (\$20,000).

Q. Alors nous y reviendrons plus tard; nous allons finir d'abord les affaires de Beauchemin et Fils. En 1905-06, M. Beauchemin, pour quel montant avez-vous vendu?—R. Je viens de le dire, monsieur.

Q. Vous avez raison, je vous demande pardon; c'est 1906-07 que je voulais dire? R. Quinze mille piastres (\$15,000), je suppose. Je mets plus, en cas.

Q. Voulez-vous, s'il vous plaît, me donner les gros item?—R. Pas plus qu'en 1905-06.

Q. Toujours de la fonte?—R. Toujours de la fonte, exactement pareil, sur réquisitions de M. Desbarats.

Q. Et toujours de la fonte à trois cents?—R. Toujours au même prix.

Q. Vous n'avez pas vendu que de la fonte cette année-là?—R. Cela, c'est 1907-08?

Q. 1906-07?—R. Il y a le yatch, l'autre yatch.

Q. Quelle espèce de yatch était-ce, cela?—R. Un yatch de trente-deux pieds.

Q. Pour?—R. Pour le dredge *Galveston*.

Q. Aviez-vous un contrat pour ce yatch-là?—R. Oui, monsieur.

Q. Pour quel montant?—R. Mille cinquante piastres (\$1,050).

Q. C'était le montant du contrat, cela?—R. Oui, monsieur... Non, plus que cela deux mille piastres (\$2,000).

Q. Combien avez-vous reçu pour ce yatch-là?—R. Le plein montant.

Q. Pas d'extras?—R. Non, monsieur, pas d'extras. Il y en avait, mais M. Cowie a refusé de me les payer.

Q. Combien d'extras aviez-vous?—R. Cent cinquante piastres (\$150).

Q. Et M. Cowie a refusé de vous payer?—R. Il a refusé de me payer.

Q. Savez-vous, monsieur Beauchemin, si des soumissions avaient été demandées pour ce yatch-là?—R. Jamais je ne m'occupe des étrangers.

Q. Des affaires des autres?—R. Non, jamais; je m'occupe de mon affaire.

Q. Vous avez soin des vôtres?—R. Oui.

Q. A part de ce yatch-là, avez-vous vendu d'autre chose cette année-là?—R. J'ai vendu de la fonte.

Q. A part de la fonte?—R. Je ne vois pas, non.

Q. Vous n'avez pas vendu de bois?—R. Non, pas cette année-là.

Q. Je vois que dans certains comptes vous avez des crédits que vous donnez au gouvernement; je voudrais bien savoir la raison de ces crédits-là et la méthode suivie pour les accorder?—R. Ces crédits-là sont donnés au gouvernement comme ceci: Lorsque M. Desbarats voit que nous chargeons trop cher pour la fonte, il nous demande des crédits et on en donne.

Q. Ça vous arrive de charger trop cher, des fois?—R. Lorsqu'ils ne mentionnent pas le prix de trois cents, parfois en charge quatre, et on est obligé de donner des crédits.

Q. Quand arrive le temps de faire payer vos comptes...?—R. Ils coupent le compte.

Q. Ils coupent le compte à trois cents?—R. Oui.

Q. C'est là l'explication des crédits que je vois dans vos...?—R. Oui.

Q. Est-ce que cela arrive souvent que vous êtes obligé de donner des crédits comme cela?—R. Non, une fois, deux fois par année.

Q. Est-ce qu'il est arrivé des fois, monsieur Beauchemin, que vous n'avez pas donné de crédit lorsque vous aviez chargé trop cher?—R. On n'a jamais chargé trop cher.

Q. Ou lorsque vous aviez chargé plus cher que le prix courant?—R. On n'a jamais chargé plus cher que le prix courant.

Q. Bien, oui, puisque vous avez été obligé de donner des crédits, des fois?—R. Oui, pour ne pas être déjeté du parti et ne plus avoir d'ordres; nous préférons donner des crédits et continuer à avoir la clientèle du gouvernement.

Q. Dois-je comprendre que vous vous plaignez maintenant que le département vous a forcé de vendre en bas de ce que vous auriez dû recevoir?—R. Oui.

Q. C'est là votre affirmation?—R. Oui, je l'affirme.

Q. Et que c'était pour ne pas perdre la clientèle du département que vous avez donné des crédits?—R. Oui.

Q. Il vous restait toujours un profit convenable, après avoir déduit ces crédits-là?—R. Non, du tout, même en bas du prix coûtant.

Q. Combien de fois est-ce arrivé comme cela, monsieur Beauchemin, que vous avez vendu en bas du prix coûtant, comme vous dites?—R. Lorsque nous avons donné les crédits au gouvernement.

Q. Est-ce qu'il n'y a que vous à Sorel qui faites cela?—R. Ah, je ne connais pas l'affaire des autres.

Q. Comme cela, vous prétendez qu'il est arrivé que M. Desbarats vous a forcé à livrer de la marchandise en bas du prix coûtant?—R. Oui, monsieur. Lorsque nous envoyons un compte, ordinairement l'ouvrage est fait; nous n'envoyons jamais de compte sans que l'ouvrage soit fait, et nous les envoyons régulièrement tous les mois.

Q. Maintenant, monsieur Beauchemin, êtes-vous bien certain que votre contrat pour le yacht, du *Galveston*, était pour deux mille piastres? Je sais qu'il vous a été payé deux mille piastres; mais n'est-il pas vrai que votre contrat était en bas de deux mille piastres?—R. Non, il était de deux mille piastres.

Q. Vous avez reçu, alors, le montant du contrat?—R. Oui; mais il y avait des extras, que le gouvernement a refusé de me payer, des extras pour les "tanks" que j'ai posées en avant et en arrière du bâtiment, et qui n'étaient pas spécifiées dans le contrat; et il a refusé de me payer des "tanks" en coppe.

Q. Ils ont trouvé que vous faisiez suffisamment de profit, je suppose, sur la balance du contrat?—R. Le gouvernement a refusé de me payer.

Q. Vous n'avez pas poursuivi?—R. Non. Impossible, il faut demander la permission pour poursuivre.

Q. Sans cela, vous auriez poursuivi?—R. J'aurais poursuivi.

Q. Vous n'avez pas demandé la permission, vous n'avez pas fait de pétition de droit?—R. Non.

Q. Maintenant, dans le rapport de l'auditeur général pour l'année 1904-05, ainsi que les rapports pour les années 1905-06 et 1906-07, je vois aussi apparaître le nom d'Alfred Beauchemin?—R. Cela c'est moi.

Q. C'est vous-même?—R. Oui.

Q. Personnellement?—R. Oui.

Q. Les transactions qui sont mentionnées sous le nom de Alfred Beauchemin dans les rapports que je viens de mentionner n'étaient pas pour le compte de Beauchemin et Fils, c'était pour vous?—R. Ce que vous venez de mentionner, c'est pour Beauchemin et Fils.

Q. Mais celles qui sont mentionnées sous le nom de Alfred Beauchemin, Beauchemin et Fils n'avaient rien à faire là-dedans?—R. Non, du tout.

Q. Qu'est-ce que c'est que vous avez vendu?—R. De la pierre.

Q. Pourquoi?—R. Pour la construction des "piers" sur le Saint-Laurent.

Q. Où—R. Sur le Saint-Laurent, de Montréal à Québec.

Q. Qui était en charge de cet ouvrage-là? Vous rappelez-vous du nom de l'officier du département qui surveillait la construction de ces "piers"?—R. Le colonel Anderson, d'Ottawa, l'ingénieur en chef, était en charge.

Q. Et les autres?—R. B. H. Fraser, son assistant. Voulez-vous savoir tous les autres ingénieurs?

Q. Ceux que vous avez vus?—R. Je les ai tous vus.

Q. Le colonel Anderson et B. H. Fraser?—R. Qui étaient en charge.

Q. C'est à eux surtout que vous avez eu affaire?—R. Non, j'ai transigé avec le ministre.

Q. Et après que la transaction eut été faite, vous avez eu affaire à M. Anderson et à M. Fraser?—R. Oui.

Q. Aviez-vous un contrat pour la fourniture de cette pierre-là?—R. Oui, un contrat donné sur soumission demandée publiquement dans tout le Canada.

Q. C'était un contrat pour fournir de la pierre, la quantité qui serait demandée par le département? Est-ce cela?—R. La quantité requise pour la construction des "piers".

Q. La quantité que le département demanderait?—R. Ce n'est pas moi qui fait les affaires du département. Le département s'engageait à prendre toute la pierre dont il avait besoin pour la construction de ses "piers" sur le Saint-Laurent.

Q. Et vous dites que vous avez eu ce contrat après soumission?—R. Après soumission, pour lequel il y avait dix soumissionnaires, et j'étais le plus bas.

Q. Et vous avez eu le contrat?—R. J'ai eu le contrat.

Q. A quel montant s'élevait la pierre que vous avez fournie pour l'année 1904-05?—R. Je n'ai pas mon livre ici. Voulez-vous dire pour la première année?

Q. La première année, oui?—R. De quinze à dix-huit mille piastres, je crois.

Q. Avez-vous fourni toute la quantité pour laquelle vous avez été payé?—R. Ah, j'ai été payé pour tout ce que j'ai fourni.

Q. Mais avez-vous été payé pour plus que ce que vous avez fourni?—R. Du tout, j'ai été payé pour ce que j'ai fourni.

Q. Et la deuxième année, pour combien avez-vous fourni de la pierre?—R. A peu près le même montant.

Q. Et la troisième année?—R. Moins.

Q. Dans tous les cas, vous avez fourni en tout, pendant les trois années dont je viens de parler, 1904-05, 1905-06 et 1906-07, pour environ cinquante mille piastres de pierre concassée?—R. Ah, non.

Q. Quarante mille piastres?—R. A peu près, oui.

Q. Quarante mille piastres de pierre concassée, par contrats?—R. Oui.

Q. Maintenant, votre contrat vous forçait de livrer cette pierre où...?—R. D'après le contrat la pierre était livrée sur le quai à Sorel.

Q. Sur le quai à Sorel?—R. Oui.

Q. Qui recevait la pierre, sur le quai, à Sorel?—R. Les employés du département de la Marine.

Q. Prenons donc, si vous voulez bien m'en croire, la première année, 1904-05. Qui recevait la pierre dans ce temps-là?—R. Ah, il y en a eu tant que je ne puis m'en rappeler; je ne puis dire qui l'a reçue cette année-là; il y en a eu plusieurs. Ils envoyaient des employés prendre les "taillies" de la pierre.

Q. Mais vous n'êtes pas capable de vous rappeler du nom d'un seul?—R. Il y en a eu tant.... Comme cette année—j'en fournis, cette année, et il y en a peut-être quinze qui sont déjà venus, là.

Q. Quelle était votre méthode pour faire la livraison de cette pierre-là; comment était-elle livrée? C'est cela que je voudrais savoir?—R. Toute par brouettes.

Q. D'où portaient-elles, ces brouettes-là?—R. Du tas à bord de la barge.

Q. Cela, c'était la façon de la charger?—R. Tel que tous les déchargements se font à Montréal, Québec, Trois-Rivières, Sorel, partout.

Q. Je comprends cela; mais avant de la mettre à bord des bâtiments, il fallait toujours bien s'assurer quelle quantité vous livriez?—R. Pardon. Il y avait la "tally", comme je viens de le dire; tenir la "tally" du chargement donne le mesurage de la pierre.

Q. Ce n'est pas à la pesanteur?—R. La "tally" vous dit tout cela.

Q. Vous comprenez, la "tally", c'est bien correct pour vous, vous la comprenez; mais moi, je ne la comprends pas, et il va falloir que vous m'expliquiez cela un peu d'histoire de la "tally"?—R. Le gouvernement envoie des hommes peser combien une brouettée représente de pierre, combien il faut de brouettée pour faire une tonne. On dit: Tant de brouettées pour une tonne, tant de tonnes pour un chaland, et tant de chalands font tant de milliers de tonnes.

Q. La base du mesurage, c'est la brouettée, d'abord?—R. C'est la brouettée—tel que font les commerçants ici à Montréal.

Q. Après la brouettée, c'est le chaland?—R. La brouettée s'en allait dans le chaland.

Q. Et le chaland était supposé, je présume, contenir tant de livres?—R. Eh, non, ils ne sont jamais pareils.

Q. Vous n'aviez pas un chaland qui servait d'étalon de mesure?—R. Non, jamais.

Q. Il n'y en a pas eu un?—R. Il n'y en a jamais eu.

Q. Il n'y avait pas un chaland connu sous le nom de chaland rouge?—R. Non.

Q. En 1906 ou 1905?—R. Il y avait des chalands de cent tonnes, il y en avait de cent cinquante tonnes, de deux cents, de trois cents, de deux cent soixante et quinze; il y en avait de toutes les quantités; tout dépendait de la quantité que l'on mettait à bord.

Q. Prenons donc la brouette, d'abord. Où l'avez-vous eue cette brouette-là? C'était la base, la brouette; si la brouette n'était pas correcte, les quantités ne seraient pas, n'est-ce pas?—R. Oui.

Q. C'est cela?—R. Oui.

Q. Qui a fourni la brouette?—R. C'est le marchand de Montréal qui me l'a vendue.

Q. C'est vous qui avez acheté la brouette?—R. Oui.

Q. Avec qui l'avez-vous mesurée cette brouette-là?—R. Avec les employés du département de la Marine.

Q. A Sorel?—R. A Sorel.

Q. Ce que je voudrais savoir de vous, monsieur Beauchemin—si vous voulez me dire—c'est quel est l'employé du département de la Marine qui a mesuré la brouette avec vous?—R. Cette année c'est M. Bazinet.

Q. Parlons donc de 1906?—R. Je ne m'en rappelle pas. J'ai autre chose à faire, monsieur, que de savoir qui vient mesurer les brouettes de pierre.

Q. En 1905-06?—R. Je ne le sais pas, monsieur.

Q. En 1907?—R. Je ne le sais pas. Je sais que cette année c'est M. Bazinet et Longtin qui sont venus, tous les deux, et qui l'ont mesurée,—cette année.

Q. En 1904-05?—R. Je ne m'en rappelle pas. J'ai autre chose à penser que les mesures de brouettes.

Q. Qui surveillait pour vous la livraison de la pierre au gouvernement?—R. Pour moi?

Q. Oui?—R. Personne.

Q. Vous deviez avoir quelqu'un qui surveillait vos intérêts?—R. Je me faisais aux employés du département de la Marine, qui n'étaient pas censés me voler au profit du département.

Q. Étaient-ils censés voler le département à votre profit?—R. Pas plus. C'est pour cela que je m'y faisais.

Q. Maintenant, écoutez donc, monsieur Beauchemin: Vous dites que vous n'avez pas employé d'hommes pour surveiller vos intérêts, que vous vous fiez entièrement aux

employés du département de la Marine et des Pêcheries qui prenaient livraison de cette pierre. C'est cela que vous dites?—R. Oui.

Q. Sûrement, vous aviez assez d'intérêt là, le montant était assez considérable, vous devriez être capable de me mentionner le nom d'une des personnes qui dans le temps représentaient le département de la Marine et des Pêcheries et qui prenaient vos intérêts en même temps que ceux du département?—R. Il y en a un qui me vient à l'idée: M. Moisan en a été un.

Q. Qu'est-ce qu'il faisait ce M. Moisan?—R. Il travaillait pour le département.

Q. Je le sais, mais en quelle qualité?—R. Je ne sais pas, je ne connais pas cela.

Q. Vous ne savez pas quelles étaient ses fonctions?—R. Non, monsieur.

Q. Dans tous les cas, c'est un de ceux qui ont surveillé la livraison de la pierre?—R. C'en est un qui me vient à l'idée; il y en a beaucoup d'autres, mais je ne m'en rappelle pas, là.

Q. Dois-je comprendre, monsieur Beauchemin, qu'après que le contenu de la brouette eut été établi, que vous ne vous en êtes plus occupé? Est-ce cela?—R. Jamais je ne m'occupais de cela, je les laissais faire. Tous les jours j'allais prendre l'addition des quantités prises dans la journée et j'entrais cela dans mes livres; et une fois un chaland chargé, le gouvernement me donnait un bon pour la quantité de tonnes qu'il avait prises, et, "all right", je m'en allais.

Q. Et vous n'aviez personne...?—R. Ah, certain. Je ne vois pas pourquoi le gouvernement m'aurait volé. Est-ce que le gouvernement avait intérêt à me voler; j'en ne vois pas pourquoi?

Q. Vous deviez payer quelqu'un de ces employés-là pour prendre soin de vos intérêts?—R. Non, monsieur. On prenait un coup ensemble, de temps en temps, comme tous les amis.

Q. Cela, ça n'est pas un gros paiement, un coup de temps en temps?—R. O'était tout, cela, c'était le paiement. Je paie la traite à mes amis, ceux que je rencontre: "Venez, venez donc, on va prendre un coup".

Q. Oui, mais, monsieur Beauchemin, ces gens-là vous rendaient des services, ils surveillaient...?—R. Aucun service; ils tenaient les comptes du département; ils étaient payés par le département et ils tenaient leurs comptes.

Q. Mais, en tenant leurs comptes...?—R. Ils tenaient le mien.

Q. Vous ne leur avez jamais rien donné pour cela?—R. Non, jamais.

Q. Vous ne trouvez pas que vous auriez pu leur donner quelque chose pour vous rendre service, comme cela?—R. Non, je n'avais pas de raison, ils étaient payés par le gouvernement.

Q. Maintenant, vous faisiez rendre la pierre à cet endroit-là, sur le tas?—R. Ah, cela, c'est mon affaire; ce sont mes employés, cela.

Q. Ce sont vos employés qui rendent la pierre?—R. Oui.

Q. Quand vous faisiez rendre la pierre en tas, sur les quais, vous deviez prendre note vous-même des quantités que vous receviez d'ailleurs?—R. Oui, par tous mes chars. Toute ma pierre vient par chars.

Q. C'est de la pierre que vous achetez en dehors de la ville de Sorel?—R. Oui.

Q. Et que vous faites transporter à Sorel par les chars?—R. Oui.

Q. Où achetez-vous cela, généralement?—R. On achète cela dans le comté de Rouville, dans le comté du ministre Brodeur.

Q. Alors, vous savez, à la fin de chaque mois, je suppose, quelle pesanteur de pierre vous avez reçue du comté de Rouville?—R. Tous les jours je paie le fret de mes chars.

Q. Par conséquent, vous savez exactement la quantité de pierre qui vous est livrée?—R. Oui, tous les jours.

Q. Quand elle était rendue sur le quai, vous saviez exactement la quantité de pierre que vous aviez livrée sur le quai?—R. Oui.

Q. Maintenant, parlez-nous donc de la différence que vous avez trouvée entre la quantité de pierre que vous livriez, vous, sur les quais, et la quantité de pierre qu

ous a été créditée par le département?—R. La quantité de pierre que le gouvernement m'a créditée?... Quoi?

Q. Vous ne comprenez pas ma question, je vais vous l'expliquer: Vous saviez, par exemple, qu'il y a cent cinquante mille livres de pierre, disons?—R. Oui.

Q. Vous saviez cela par le seul fait que vous aviez payé le fret de vos chars, vous aviez exactement la quantité de livres de pierre que vous aviez livrée sur les quais?—R. Oui.

Q. Maintenant, vous aviez le retour du gouvernement pour la quantité de pierre qu'il prenait?—R. Oui.

Q. Je voudrais savoir de vous maintenant quelle différence il y avait entre vos livres à vous et ceux du gouvernement?—R. Ceux du gouvernement étaient moindres que mon total que j'avais de mes contracteurs de Sainte-Angèle.

Q. Sûrement, monsieur Beauchemin,—je pense bien que vous avez bien de l'esprit public, mais vous n'allez pas me dire que vous avez livré au département plus de pierre qu'il ne vous en a payé?—R. J'en ai livré moins,—c'est cela que je viens de vous dire,—que j'ai reçu plus de pierre de Sainte-Angèle que je n'en ai livré au département.

Q. Qu'est-ce qu'est devenue la différence?—R. Je l'ai en stock.

Q. Vous ne me comprenez pas exactement. Prenons un mois, par exemple....?—R. On ne pouvait pas le voir, parce que le tas était toujours là; il y avait toujours un tas là, et il y en a encore un.

Q. Alors, vous remplissiez à mesure?—R. Toujours.

Q. De sorte qu'il vous est impossible de me dire si les pesanteurs qui vous étaient accordées par le département correspondaient avec les pesanteurs qui vous étaient chargées par vos entrepreneurs là-bas?—R. Mes entrepreneurs transigeaient avec moi.

Q. C'aurait été un excellent moyen pour vous de mettre un check là-dessus: Vous n'avez pas pensé à cela?—R. Non. Je ne vois pas pourquoi mettre un tiers dans un contrat quand il n'y a aucune nécessité.

Q. Alors, je comprends qu'en recevant un char vous aviez votre pesanteur: Prenez-vous la peine de vous assurer si vos entrepreneurs à Sainte-Angèle, comme vous dites, vous blaguaient ou non?—R. Ah, on leur faisait des reproches, on écrivait, tous les jours, toutes les semaines, pour se plaindre sur les chars.

Q. Qui se plaignait?—R. Moi. Cela, c'était mon affaire avec mes contracteurs.

Q. Vous trouviez qu'ils vous en chargeaient trop?—R. De temps en temps ils en mettaient trop d'autre fois ils n'en mettaient pas assez. Quand ils n'en mettaient pas assez, je me plaignais. Cela, c'est mon affaire, entre moi et mes contracteurs.

Q. Quand ils en mettaient trop, vous ne vous plaigniez pas?—R. Ah, non, je les laissais faire.

Q. Maintenant, vous connaissiez la pesanteur de votre pierre avant d'envoyer cette pierre-là sur le quai?—R. Ah, non, pardon; cette pierre-là ne s'en allait pas sur le quai, elle passait par le "crusher".

Q. Ah, vous la brisiez avant?—R. Oui.

Q. Elle n'arrivait pas de Sainte-Angèle brisée?—R. Non, elle passait au "crusher".

Q. Vous receviez de Sainte-Angèle de la pierre brute?—R. De la pierre brute; et là elle passait au "crusher" et de là elle s'en allait sur le quai.

Q. Et votre "crusher" était à Sorel?—R. Mon "crusher" est à Sorel.

Q. C'est à Sorel que vous brisiez cette pierre-là?—R. Oui.

Q. Maintenant, après que la pierre était brisée, vous l'envoyiez sur le quai du département?—R. Sur le quai du département.

Q. Avant de la livrer sur le quai du département, vous devez avoir pris vos mesures pour vous assurer de la quantité de pierre que vous livriez là?—R. Non. Je vais vous dire: Vous savez, cette question-là....

Q. Je voudrais bien le savoir?—R. Eh, bien, je recevais tant de chars de pierre, et, aussitôt, envoi la pierre en bas.

Q. Prétendez-vous me dire que vous livriez cette pierre-là sur le quai sans vous assurer vous-même de la quantité que vous envoyiez sur le quai?—R. Je vais vous dire: Je ne pouvais pas tenir de balance au ras de mon “crusher”; il y avait assez que les ingénieurs du département la mesuraient en bas, sans la mesurer encore en haut.

Q. Alors, je comprends que vous-même vous ne donniez aux ingénieurs du gouvernement aucune pesanteur?—R. Moi? Du tout; c'étaient les ingénieurs du département qui faisaient l'ouvrage; je prenais leurs comptes et j'étais payé sur les comptes que les ingénieurs du département me donnaient.

Q. Maintenant, quelle était la grosseur de la pierre brisée que vous livriez au département?—R. Un pouce et demi, deux pouces et deux pouces et demi.

Q. Monsieur Beauchemin, je veux bien prendre votre parole, mais cela me paraît extraordinaire qu'un homme d'affaires comme vous n'ait pas mesuré sa pierre avant de la livrer au département?—R. Oh, je vais vous dire: j'allais étendre mon galon de temps en temps. Mais cela, c'était pour ma satisfaction à moi.

Q. Le mesurage s'est fait à la brouette, comme vous dites, tant de brouettes voulaient dire tant de livres?—R. Tant de livres, mesurées de toutes manières par les ingénieurs. Quand ils n'ont pas eu satisfaction de cette manière-là, ils s'y sont pris d'une autre manière; ils s'y sont pris de toutes les manières. Le contrat était dû à la tonne.

Q. Je désirerais avoir une explication, monsieur Beauchemin: Vous dites que les ingénieurs se sont satisfaits de toutes les façons, que quand ils n'ont pas été satisfaits de la brouette, ils ont pris autre chose. Qu'est-ce que c'était que l'autre chose?—R. Ils ont mesuré par la pesanteur de l'eau, ils ont mesuré par la grandeur des bâtiments; de toute manière.

Q. Dois-je comprendre que vous avez eu des ennuis avec eux au sujet de la pesanteur?—R. Du tout; je les laissais faire, et lorsqu'ils avaient décidé de telle pesanteur, ils me donnaient leur compte et je me faisais payer.

Q. Vous, bon garçon, vous acceptiez cela?—R. Je vais vous dire: Un homme honnête, je ne m'en défie pas.

Q. Et vous considérez que le département, c'était un honnête homme?—R. Du moins, je le crois.

Q. Pour revenir au mesurage de la pierre, monsieur Beauchemin—je regrette d'insister tant, mais je voudrais bien en avoir le cœur net,—je ne voudrais pas que vous croiriez que j'ai l'intention de vous maltraiter en quoi que ce soit; seulement j'aimerais bien avoir une explication complète de ce mesurage-là. M. Gaudet, qui a agi comme commissaire, m'informe qu'il y avait deux méthodes pour mesurer la pierre; il me dit que votre concasseur était sur une élévation?—R. Oui.

Q. Et que la pierre, après qu'elle était cassée, descendait?—R. Oui.

Q. D'elle-même?—R. Oui..

Q. Et qu'en bas de cette descente-là il y avait un triangle dans lequel la pierre entraît, et où elle se plaçait en tas?—R. Je vais vous expliquer: Le “crusher” était dans le haut de la côte—il y avait vingt pieds de bas—et le tas de pierre était sur le quai. Alors, nous faisons un tas de pierre de cinq cents, sept cents, mille tonnes de pierre. Lors du commencement du contrat j'avais besoin d'argent, et alors j'ai fait mesurer de la pierre par les ingénieurs—M. Anderson en a mesuré, M. Fraser en a mesuré, M. Boucher en a mesuré—ils ont mesuré les tas et ils m'ont donné un certificat de livraison sur lequel je pouvais avoir de l'argent.

Q. Vous allez nous raconter, tranquillement, toute l'histoire, afin que l'on sache exactement ce qui se passe?—R. Et j'ai eu de l'argent sur ces comptes-là.

Q. Une minute maintenant—si vous voulez me permettre. Avez-vous eu plus d'argent que la quantité de pierre que vous aviez livrée?—R. A l'exception d'une fois.

Q. Quelle différence y avait-il cette fois-là?—R. Une affaire de sept cents piastres, je crois. J'ai livré de la grosse pierre, pour finir l'année, à la place de celle-là.

Q. Au sujet de ces sept cents piastres-là, qu'est-ce qui est arrivé?—R. J'ai fourni de la pierre à remplir à la place de celle-là. Le compte de la pierre concassée se trou-

ait plus élevé que le montant d'argent que j'avais retiré du gouvernement; alors, j'ai fourni au département de la pierre à remplir pour mettre alentour des piers, et la pierre concassée s'est trouvée créditée par la pierre à remplir.

Q. C'est comme cela que vous avez remboursé ces sept cents piastres-là?—R. Oui, monsieur.

Q. Maintenant, continuons le mesurage: Après que ce tas-là a été fait, qu'est-ce qui est arrivé? Je veux savoir exactement tout ce que s'est passé?—R. Ils le charriaient.

Q. Comment le mesuraient-ils? Comment remesuraient-ils la pierre de nouveau?—R. Ils mesuraient par le bâtiment.

Q. Est-ce là qu'ils se servaient de la brouette?—R. Ils se servaient de la brouette comme du bâtiment, par les deux, ils avaient les deux. Des méthodes pour mesure, vous savez, il y en a beaucoup; on peut arriver à la même chose par dix méthodes différentes. Un ingénieur arrivait, il avait sa méthode, un autre arrivait, il en avait une autre; mais au fond, c'était toujours pareil.

Q. Maintenant, monsieur Beauchemin, quand arrivait le temps de faire le béton, avez-vous eu connaissance si les ingénieurs du département, ou les employés du département mesuraient la pierre qui entrait dans le béton, pour voir si elle correspondait avec celle que vous aviez livrée?—R. Je ne sais pas.

Q. Vous n'avez pas eu connaissance de cela?—R. Je ne m'occupe pas des affaires des autres, je m'occupe de mon affaire.

Q. Monsieur Beauchemin, n'est-il pas vrai que l'on vous a crédité plus de pierre que vous n'en aviez livré et que vous le savez vous-même?—R. Je viens de le dire.

Q. En dehors de cela?—R. Du tout.

Q. Je mets de côté cette question des sept cents piastres?—R. Ah, du tout, du tout; à part de cela, jamais.

Q. Pas une livre?—R. Jamais une livre; le gouvernement m'a toujours dû.

Q. Qu'est-ce que vous entendez par cela, que le gouvernement vous a toujours dû?—R. De la pierre qu'il me devait.

Q. Je comprends que c'est de la pierre, mais qu'est-ce que vous voulez dire quand vous dites que le gouvernement vous a toujours dû?—R. Il m'a toujours dû, à venir jusqu'à ce que l'on règle définitivement, tous les ans. Tous les ans, lorsque la glace est prise, dans le mois de décembre, on règle. Eh, bien, à partir du mois de mai aller jusqu'au mois de décembre, le gouvernement me devait toujours.

Q. Et quand vous régliez finalement, au mois de décembre?—R. On réglait et il me payait; je ne lui devais plus et lui non plus. Quand on règle....

Q. Est-ce que dans ces règlements-là le département ne se trouvait pas mal pris?—R. Jamais, non.

Q. Vous n'avez pas reçu plus d'argent que vous n'avez livré de pierre?—R. Non, jamais.

Q. Maintenant, monsieur Beauchemin, vous avez mentionné tout à l'heure, dans une de vos réponses, qu'une certaine quantité de pierre avait été mesurée par M. Boucher, U. P. Boucher?—R. Oui, une fois.

Q. Vous connaissez bien M. Boucher?—R. Oui, monsieur.

Q. Depuis plusieurs années?—R. Oui, monsieur.

Q. Vous avez eu des affaires fréquemment avec lui?—R. Pas plus qu'avec un autre.

Q. Mais enfin, comme les autres employés du département?—R. Pas plus qu'avec un autre, non.

Q. Quelles sont les transactions que vous avez eues avec M. Boucher?—R. Jamais, j'en ai pas de transactions avec M. Boucher. J'ai eu des transactions avec le département de la Marine, pas avec M. Boucher.

Q. Non, mais je parle du département de la Marine, représenté par M. Boucher: c'est dans ce sens-là que je l'entends. Quelles sont les transactions que vous avez eues avec lui?—R. Je n'en ai pas eu.

Q. Vous en avez toujours eu une?—R. Le mesurage?

Q. Oui?—R. Je n'appelle pas cela une transaction.

Q. Moi, j'appelle cela des transactions?—R. Je vais vous dire: M. Boucher était le représentant du gouvernement et moi j'étais le contracteur. M. Boucher était comme M. Michaud, ou bien M., un employé du gouvernement, comme il y en a dans les différents départements du gouvernement, qui s'en vont recevoir les matériaux et les constructions qui se font dans le pays.

Q. Oui, mais, monsieur Beauchemin, j'appelle, moi, transaction avec M. Boucher tout ce que vous avez fait avec le département de la Marine et des Pêcheries par l'entremise de M. Boucher comme représentant le département de la Marine?—R. Mes instructions sont toujours venues d'Ottawa.

Q. Oui, mais tout en recevant vos instructions d'Ottawa, sûrement, vous avez eu occasion de rencontrer M. Boucher?—R. Ah, oui.

Q. Qui était chargé par le département de faire mettre à exécution ses instructions?—R. Ah, bien, cela . . . , il est secondaire dans cette chose-là. Si vous voulez parler des autorités; ce n'est pas des autorités. Vous parlez des employés, des assistants.

Q. M. Boucher était ingénieur du chenal, comme vous le savez?—R. M. Boucher était ingénieur du chenal, mais il est sous les ordres d'Ottawa.

Q. Oui, je comprends?—R. Moi, j'avais les ordres d'Ottawa, de son supérieur.

Q. Mais M. Boucher était chargé de vous surveiller, évidemment, pour savoir si vous suiviez les ordres de son supérieur?—R. Non. Il y en a eu d'autres qui ont surveillé cela.

Q. Qui était-ce?—R. Les ingénieurs de Sorel. Il y a eu M. Dubuc, M. Arcand; maintenant c'est M. Longtin.

Q. En 1904-05 et 1905-06 et 1906-07 c'était Dubuc et Arcand?—R. Dubuc et Arcand, oui.

Q. Mais vous ne dites pas, monsieur Beauchemin, qu'en dehors de ce mesurage d'une certaine quantité de pierre fait par M. Boucher vous n'avez eu aucune autre transaction avec lui, comme représentant le département?—R. Parfois il me rapportait les rapports qu'il y avait d'Ottawa, comme commissaire; il me disait: A Ottawa on m'autorise de vous faire faire ceci, de vous faire faire cela. C'est bien, C'est tout.

Q. Veuillez-donc me mentionner quelque cas où il a agi comme commissaire pour Ottawa et où il vous a dit qu'Ottawa l'avait chargé de faire faire telle et telle chose?—R. Eh bien, une fois il est arrivé et il m'a dit de charger un bâtiment de pierre. Je l'ai chargé.

Q. Est-ce tout, cela?—R. Ce sont des choses comme cela, pas autre chose; il n'y avait aucune autre chose que cela. En passant, il venait et il disait: "La pierre est un peu trop grosse, mets-la un peu plus fine", des recommandations de même. A part de cela il n'y a jamais eu autre chose.

Q. Ce ne sont pas les seules recommandations qu'il vous ait faites, cela?—R. Ce sont des choses à peu près comme celles-là; je ne vois rien autre chose, aucun ordre exécuté par M. Boucher. J'ai toujours été sous le contrôle d'Ottawa, parce que c'était un contrat régulier d'Ottawa.

Q. Avez-vous endossé des billets pour M. Boucher?—R. Jamais.

Q. Hein?—R. Jamais.

Q. Signé des bons?—R. Jamais.

Q. Donné des chèques?—R. Jamais.

Q. Combien avez-vous donné de commission à M. Boucher?—R. Jamais.

Q. Pour que la pierre passe un peu plus grosse?—R. Jamais.

Q. Vous dites que vous avez eu affaire à M. B. H. Fraser aussi?—R. Oui, monsieur.

Q. Qui mesurait de la pierre pour vous?—R. Une fois c'est arrivé.

Q. Est-ce lui, M. B. H. Fraser, qui a mesuré la brouette?—R. Non . . . Je ne me rappelle pas celui qui l'a mesurée. Je vous l'ai dit tout à l'heure que je ne m'en

rappelle pas. Je me rappelle que cette année c'est M. Bazinet et M. Longtin qui l'ont mesurée, des employés du département de la Marine et des Pêcheries.

Q. Vous l'avez vu souvent, M. B. H. Fraser?—R. En excursions, oui.

Q. En excursions?—R. Bien, visitant les travaux du département de la Marine.

Q. Quels travaux?—R. La construction des piers, le long du Saint-Laurent.

Q. Vous l'avez vu là?—R. Pardon, en passant à Sorel.

Q. Ah, vous l'avez vu quand il passait à Sorel pour aller faire ces excursions?—R. Bien, il s'en allait faire son ouvrage sur le Saint-Laurent. Je dis excursions, c'est parce qu'il partait de Montréal avec son bateau et il arrêta à tous les ports où il y avait des travaux.

Q. Et vous le voyiez quand il passait à Sorel?—R. Je le voyais quand il passait à Sorel.

Q. Avez-vous été avec lui faire la visite, de temps en temps?—R. Non, jamais.

Q. Avez-vous eu connaissance de la construction des piliers dans le lac Saint-Erre?—R. Oui, monsieur.

Q. Depuis le commencement?—R. Non. Au commencement, mais pas maintenant; depuis deux ans je n'y suis pas allé.

Q. Vous avez eu connaissance quand ces piliers-là ont commencé?—R. Oui.

Q. Vous les avez vus monter?—R. J'ai vu qu'ils étaient bien mal partis.

Q. Vous avez vu qu'ils étaient bien mal partis?—R. Oui.

Q. Parlez-nous-en donc de ces piliers-là, dites-nous donc ce que vous en pensez. Vous dites que vous en avez vu commencer la construction?—R. Oui, monsieur. Ce sont des piliers bâtis sur "cribs".

Q. Qu'est-ce que vous entendez par cela?—R. Ce sont des mots que je ne puis définir.

Q. Pouvez-vous dire ce que c'est?—R. Ce que c'est qu'un "crib"?

Q. Oui?—R. Ce sont des morceaux de bois cloués les uns aux autres et remplis de pierre et de pilotis plantés.

Q. Des pilotis ou poteaux?—R. Oui.

Q. Continuons. Vous avez vu commencer les piliers, vous avez dit?—R. Oui, monsieur. De là, le béton est parti à l'eau la plus basse jusqu'à la hauteur d'une dizaine de pieds. Un coup que cela eut été fini, le département de la Marine a mis des planches dessus. C'est tout.

Q. C'est pour ces piliers-là que vous fournissiez, vous, de la pierre concassée?—R. Oui.

Q. Maintenant, vous avez dit que vous avez vu que ces piliers-là étaient bien mal partis?—R. Oui, parce qu'il aurait fallu qu'ils auraient mis de la pierre à remplir tout autour.

Q. Maintenant, tâchons de nous expliquer?—R. Ça n'a aucun rapport avec l'enquête, cela.

Q. Bien, je vais vous poser des questions, et on verra. Vous dites que ces piliers-là ont été partis sur des "cribs"?—R. Oui.

Q. Remplis de pierre?—R. Et de pilotis.

Q. Et vous dites que les piliers ont été mal partis, parce que...?—R. Non, non, je dis pas cela.

Q. Qu'est-ce que c'est que vous dites?—R. Je dis que si les piliers avaient été renhaussés de pierre...

Q. C'est cela que vous dites?—R. Ah, ce n'est pas la même chose, cela. Si les piers avaient été renhaussés de pierre tout autour, ils auraient toujours résisté.

Q. Aux glaces?—R. Aux glaces.

Q. Vous savez que les piliers sont tombés maintenant?—R. Pardon, ils ne sont pas tombés.

Q. Ils sont...?—R. Cantés.

Q. Dans tous les cas, il faut en refaire la construction, vous savez cela?—R. Non, pas la refaire, la renforcer.

Q. Et vous attribuez le fait que ces piliers-là n'ont pas pu supporter le coup de glaces au fait que les "cribs", en bas, n'avaient pas été renchaussés avec de la pierre—R. Oui, monsieur; d'après moi, mon expérience me dit cela.

Q. Quelle expérience avez-vous eue dans la construction des piliers et autres ouvrages de cette nature-là?—R. C'est mon expérience personnelle. Ça n'est pas une expérience d'ingénieur civil, c'est mon expérience personnelle.

Q. Dans tous les cas, quand vous avez vu partir les piliers, vous vous êtes dit vous-même...?—R. S'ils les avaient renchaussés....

Q. Ce ne serait pas arrivé?—R. Ce ne serait pas arrivé.

Q. Quand vous avez vu commencer ces piliers-là, en avez-vous causé avec le colonel Anderson, ou M. B. H. Fraser, son assistant?—R. Des....?

Q. Des piliers?—R. Je ne me rappelle pas.

Q. Tâchez donc de vous rappeler si vous avez causé de ces piliers-là—avec le colonel Anderson, d'abord—R. Ah, je ne me rappelle pas.

Q. Avec M. B. H. Fraser?—R. Je n'avais aucune autorité dans cette question et je n'avais rien à imposer aux ingénieurs du département.

Q. Avez-vous attiré leur attention sur le fait que vous considériez que leur méthode de construction n'était pas ce qu'elle devrait être?—R. Non.

Q. Jamais vous n'en avez causé avec M. B. H. Fraser?—R. Non.

Q. Maintenant, quelle espèce d'ouvrage a été fait là, en dehors du fait que les caissons n'ont pas été renchaussés avec de la pierre?—R. Ah, je n'en connais pas toutes les conséquences. Si j'avais été l'ingénieur surveillant, je pourrais vous en dire plus; mais je n'étais pas l'ingénieur surveillant.

Q. Au point de vue du ciment: Avez-vous vu le ciment qui a été employé là?—R. De l'Intercolonial, oui.

Q. Vous l'avez vu ce ciment-là?—R. Oui. C'était du très bon ciment.

Q. La pierre?—R. Ah, la pierre, c'est moi qui la vendais; elle était bonne.

Q. De quelle façon le mélange a-t-il été fait?—R. Ah, je ne connais pas.

Q. Vous n'avez pas vu faire la construction?—R. Non.

Q. M. B. H. Fraser, quelles transactions avez-vous eues avec lui?—R. Je n'en ai jamais eu.

Q. Vous n'avez pas fait de transactions avec lui?—R. Non. J'ai fait des transactions avec le ministre, le député-ministre. Quand le ministre a donné instruction au député-ministre de me donner le contrat, il m'a donné le contrat. C'est tout. J'avais eu les ordres du ministre.

Q. M. B. H. Fraser?—R. Oui.

Q. C'est lui qui vous a donné le contrat?—R. Pardon, M. le ministre m'a donné le contrat.

Q. Revenons à M. B. H. Fraser. Avez-vous endossé des billets pour lui?—R. Jamais.

Q. Lui avez-vous payé des commissions?—R. Jamais.

Q. J. F. Fraser?—R. Je ne le connais pas.... Ah, oui, je le connais, mais j'en ai jamais fait d'affaires avec lui.

Q. Vous n'avez jamais fait d'affaires avec lui, aucune transaction?—R. Aucun jamais.

Q. Arrivons maintenant au colonel Gourdeau, le député-ministre. Vous le connaissiez bien, lui?—R. Ah, oui. Il suivait les ordres du ministre.

Q. Vous avez eu souvent affaire à lui?—R. Pour me faire payer, oui; quand les employés, à Ottawa, ne voulaient pas me payer, j'allais le voir et il me faisait payer.

Q. Pourquoi les employés ne voulaient-ils pas vous payer, à Ottawa?—R. Parce qu'il faut avoir des ordres du député-ministre.

Q. Vous alliez voir le colonel Gourdeau?—R. J'allais le voir.

Q. Vous causiez d'affaires avec lui?—R. Pardon; il mettait ses initiales sur mes comptes, je montais en haut et je me faisais payer.

Q. Il devait examiner ces comptes-là avec soin, pour voir si vous aviez réellement rempli...?—R. Pardon, tout était accepté d'avance par les ingénieurs, au sujet des quantités et du prix.

Q. Combien lui avez-vous donné, au colonel Gourdeau?—R. Jamais rien.

Q. Hein?—R. Rien.

Q. Vous n'avez pas bâti un yacht pour lui, pour rien?—R. Pardon, je lui en ai vendu un.

Q. Vous lui avez vendu un yacht?—R. Oui.

Q. En quelle année?—R. En 1905.

Q. Dans quel mois?—R. Dans le mois de juin.

Q. Juin 1905?—R. Oui.

Q. Quelle espèce de yacht lui avez-vous vendu?—R. Un yacht de seconde main.

Q. Décrivez-nous le donc, ce yacht-là?—R. C'est un yacht que mon père avait; j'ai acheté de mon père et je l'ai revendu au colonel Gourdeau.

Q. Un yacht de quelle longueur?—R. Un yacht de vingt-cinq pieds.

Q. A gazoline?—R. A gazoline.

Q. Combien lui avez-vous vendu ce yacht-là?—R. Trois cents piastres.

Q. Avez-vous été payé comptant?—R. Non, par versements.

Q. Combien par versement?—R. Des versements de cinquante piastres.... Il y a eu des versements de vingt-cinq piastres, il y en a eu de cinquante piastres, il y en a eu de cent piastres, il y en a eu un de cent piastres, deux de cinquante piastres et quatre de vingt-cinq piastres, je crois. Je ne suis pas sûr, mais c'est à peu près cela.

Q. Avez-vous été payé par chèque ou par de l'argent?—R. J'ai été payé par de l'argent.

Q. Pas de chèque?—R. Peut-être une fois,—j'ai peut-être reçu un chèque, je ne m'en rappelle pas, là.

Q. Vous avez été payé par de l'argent qu'il vous a donné de la main à la main?—R. Non, il me l'a envoyé par la malle. Au département, ça ne coûte rien, pas besoin de mettre d'estampille pour envoyer les lettres. Il mettait de l'argent, où il mettait un chèque.

Q. Vous me dites que vous avez été payé par de l'argent envoyé par lettres enregistrées; est-ce cela?—R. Oui, monsieur. Pas tout par lettres enregistrées, non. Les lettres du département, j'en ai, mon Dieu...., j'en reçois tous les jours.

Q. Par lettres?—R. Oui, monsieur.

Q. Il ne vous envoyait pas de chèques, c'était de l'argent qu'il vous envoyait?—R. Oui, il m'a envoyé un chèque, je crois, un chèque, ou deux peut-être, je ne m'en rappelle pas.

Q. Le reste, c'était de l'argent?—R. Le reste c'était de l'argent.

Q. Etes-vous capable de dire combien vous avez reçu en argent?—R. Trois cents piastres, le coût du yacht.

Q. En argent?—R. Ah, je ne m'en rappelle pas. Ce n'est pas d'hier, cela.

Q. Vous ne savez pas non plus combien vous avez reçu en chèques?—R. Non, je m'en rappelle pas.

Q. Avez-vous l'habitude de recevoir des paiements comme cela, de l'argent envoyé par la malle?—R. Nous en recevons à peu près quarante lettres par jour, des lettres d'argent, tous les jours, quarante à cinquante lettres.

Q. D'hommes d'affaires?—R. D'hommes d'affaires.

Q. D'hommes d'affaires comme le colonel Gourdeau?—R. D'hommes d'affaires de tous genres, de commerçants et de cultivateurs. Nous sommes la maison, la maison Cauchemin et Fils, qui reçoit le plus de lettres dans la ville de Sorel. Alors, je ne puis pas me rappeler si dans ce cas-là j'ai reçu tant en chèques et tant en argent. Lorsque j'en reçois vingt-cinq à trente par jour—et même quarante, des fois—et même cent; dans le mois de novembre, jusqu'à cent par jour.

Q. Dites-vous que les hommes d'affaires vous paient par lettres....?—R. Par lettres enregistrées, par argent.

Q. Des hommes d'affaires?—R. Ça dépend des affaires qu'ils font. Nous faisons affaire dans toute la province de Québec.

Q. Je comprends?—R. Dans tous les comtés de la province de Québec.

Q. Je comprends cela?—R. Où il n'y a pas de banques, ils nous envoient de l'argent; et bien souvent, même là où il y a des banques, ils nous envoient de l'argent.

Q. Vous savez qu'à Ottawa il y a des banques en masse?—R. Mais si cet homme-là n'a pas de fonds en banque? Je ne le sais pas s'il a des fonds en banque; je n'ai pas été à Ottawa, courailler les banques, pour savoir s'il avait des fonds ou s'il n'en avait pas.

Q. Est-ce que cela ne vous paraît pas extraordinaire...?—R. Du tout.

Q. ...comme hommes d'affaires, qu'il ne vous ait pas envoyé un chèque plutôt que de vous envoyer de l'argent?—R. Ah, non, non, du tout.

Q. S'exposer à ce que ses lettres soient volées?—R. Du moment que j'ai vingt-cinq piastres dans ma poche, je dis: j'ai vingt-cinq piastres. Mais quand c'est un chèque, j'en suis plus inquiet, parce que, souvent, il n'y a pas de fonds. Comme cela est arrivé pour la *Ontarion Accident Company*: ils nous avaient envoyé un chèque, à propos d'un accident que nous avions eu, et il n'y avait pas de fonds pour ce chèque-là. Une grosse compagnie pourtant, une compagnie d'assurance, et il n'y avait pas de fonds.

Q. Est-ce que généralement, monsieur Beauchemin, les hommes d'affaires ne paient pas par chèques?—R. Je fais des affaires, moi, et je paie par argent ou par chèques, suivant comme ça me plaît.

Q. Combien valait ce yacht que vous avez vendu au colonel Gourdeau?—R. Il valait quatre cents piastres; et à quatre cents piastres, il était cher un peu.

Q. Et vous le lui avez vendu trois cents piastres?—R. Oui.

Q. Pourquoi cela?—R. Parce que je voulais le lui vendre pour trois cents piastres, pour m'en débarrasser, moi. On voulait en faire d'autres, en construire d'autres, et on voulait s'en débarrasser.

Q. Est-ce que cela vous arrive souvent de vendre des yachts valant quatre cents piastres pour trois cents piastres?—R. Ah, oui. En voulez-vous un; je vais vous en vendre un à la moitié du prix; un yacht de trois mille piastres, je vais vous le vendre pour quinze cents piastres.

Q. Il est brisé, je suppose?—R. Non, il est en parfait ordre. Je vais vous le vendre pour quinze cents piastres.

Q. Combien l'aviez-vous payé, à votre père, ce yacht-là?—R. Je l'ai payé à mon père... Bien, cela, c'est mon affaire, ça n'entre pas dans l'affaire du département.

Q. Vous ne voulez pas me dire combien vous coûtait la yacht que vous avez vendu au colonel Gourdeau?—R. Non, monsieur.

Q. Est-ce qu'il vous coûtait plus que ce que vous l'avez vendu?—R. Cela, c'est mon affaire, ça ne concerne pas l'enquête.

Q. Voyons, est-ce qu'il ne coûtait pas un peu plus que ce que vous l'avez vendu?—R. C'est mon affaire. Je refuse de répondre. J'ai vendu la yacht pour trois cents piastres au colonel Gourdeau et j'ai été payé de trois cents piastres.

Q. Est-ce que vous ne le lui avez pas vendu pour trois cents piastres afin d'avoir des faveurs de lui?—R. Aucune faveur. C'est le ministre qui m'a donné mon contrat, pas lui.

Q. Pour avoir des paiements plus prompts, pour qu'il soit un peu plus coulant?—R. Teut, teut, teut; cette question-là, c'est secondaire. Quand la marchandise est livrée, ils nous la payent.

Q. Où l'avez-vous livré, ce yacht-là?—R. A Sorel.

Q. Il est allé le chercher là lui-même?—R. Non, j'ai envoyé des hommes le mener.

Q. Des hommes de Sorel?—R. Un étranger et un homme de Sorel. Ils étaient deux, il y avait un homme de Sorel et un étranger.

Q. Qui payait pour envoyer mener ce yacht-là?—R. Ça doit être le colonel Gourdeau, parce que je n'ai pas payé, moi, ça ne m'a rien coûté. Les hommes sont partis avec et ils ne m'en ont jamais parlé; je ne sais pas s'ils ont été payés.

Q. Ils sont allés le conduire à Ottawa?—R. Ils ont monté à Ottawa avec, oui.

Q. Vous ne savez pas du tout qui payait ces hommes-là?—R. Je n'avais pas d'intérêt à le savoir, ce n'est pas mon affaire. Je m'occupe de mon affaire.

Q. Qui les a engagés? est-ce vous?—R. Je leur ai dit d'aller à bord, oui, sans faire de prix, sans engagement aucun.

Q. Vous leur avez dit d'aller conduire le yacht au colonel Gourdeau, à Ottawa?—
Je leur ai dit: "Le colonel Gourdeau demande deux hommes pour aller mener le yacht à Ottawa; si vous voulez y aller, allez-y". Ils sont partis avec.

Q. Avez-vous des lettres du colonel Gourdeau se rapportant à ce yacht-là?—R. Non, non, je n'en ai pas, sûr.

Q. En avez-vous reçu?—R. J'en ai reçu dans le temps, à propos du prix que je voulais le vendre, et tout cela.

Q. Une, ou deux, ou plusieurs lettres?—R. Une couple, je suppose. Il l'avait vu lui-même, le yacht, lorsqu'il est venu avec le ministre à Sorel.

Q. Je comprends, mais ce que je voudrais savoir de vous c'est ceci: Je voudrais voir si vous avez reçu plusieurs lettres du colonel Gourdeau relativement à ce yacht-là?—R. Non; une ou deux, peut-être.

Q. S'informant si vous le lui donneriez, ou si vous le lui vendriez?—R. Ah, non, n'a pas été question de "donnage", je l'ai vendu et j'ai été payé. C'est court.

Q. Maintenant, monsieur Beauchemin, avez-vous payé des commissions à qui que soit?—R. Non, monsieur.

Q. Sur les contrats que vous avez eus, soit personnellement, soit pour la compagnie Beauchemin et Fils?—R. Non, monsieur.

Q. Rien?—R. Jamais; je n'ai pas donné de commission, pour avoir aucun contrat du gouvernement.

Q. A aucun employé?—R. A aucun employé.

Q. A qui que ce soit?—R. A qui que ce soit.

Q. Ou à quelqu'un pour les employés?—R. Ou à quelqu'un pour un autre.

A midi et demi la séance est suspendue.

A deux heures de l'après-midi la séance est reprise et l'examen du témoin est continué comme suit:

Par M. Perron:

Q. Monsieur Beauchemin, je vois qu'en 1905-06 vous avez vendu au département un montant assez considérable de "scrap-iron"?—R. Du "scrap-iron"? jamais. Le livre est faux.

Q. Vous savez ce que c'est du "scrap-iron"?—R. Des scrap-iron de fer. Je n'en ai jamais vendu, le livre est faux. C'est un livre bleu cela?

Q. Oui?—R. Il a menti, le livre bleu, je n'ai jamais vendu de "scrap-iron" au département.

(M. Perron met sous les yeux du témoin le livre bleu, en lui indiquant un certain emplacement.)

Q. Voyez-vous, ici...?—R. (Sans regarder le livre) Ah, je ne veux pas le voir, je n'ai pas d'affaire à le voir. Je réponds à votre question. Je n'ai jamais vendu de "scrap-iron" au département.

Q. Ce ne serait pas, par hasard, un crédit plutôt qui aurait été donné?—R. Je ne connais pas cela; je réponds à votre question.

Q. C'était en 1905-06; des fois, cela aurait pu échapper à votre mémoire?—R. Je n'ai jamais vendu de "scrap-iron" au département de la Marine et des Pêcheries.

Q. En avez-vous acheté du département?—R.

Q. Vous rappelez-vous si vous en auriez acheté? des fois, il pourrait y avoir une erreur dans le livre bleu, on aurait pu mettre "vendu" quand on aurait dû mettre "acheté"?—R. Ah, bien, ce n'est pas de ma faute.

Q. Alors, vous n'en avez jamais vendu?—R. Je n'ai jamais vendu de "scrap-iron" au département de la Marine.

Q. En avez-vous acheté?—R. Je ne me rappelle pas.

Q. Vous ne vous rappelez pas si vous en avez acheté?—R....

Q. Alors, ça pourrait être une erreur d'impression : Vous en avez peut-être acheté?
R....

Q. Combien cela vaut-il la tonne, le "scrap-iron"?—R. Tout dépend des qualités.

Q. Il n'y a pas de prix fixe pour cela?—R. Non, tout dépend des qualités.

Le TÉMOIN (s'adressant au sténographe):

N'oubliez pas de marquer cela, que le livre bleu a menti.

Q. Maintenant, monsieur Beauchemin, je vous ai demandé si vous aviez payé une commission, vous avez répondu que non?—R. Oui.

Q. Avez-vous, au moyen de quelque transaction quelconque, d'aucune façon, procuré des avantages, directement ou indirectement, à quelqu'un des employés du département?—R. Pour avoir des contrats?

Q. Pour quelque raison que ce soit?—R. Jamais.

Q. Avez-vous déjà comparu devant le comité des comptes publics?—R. Non.

Q. Vous n'avez jamais été assigné devant le comité des comptes publics?—R. Jamais.

Q. Alors, la seule place où vous ayez comparu comme témoin...?—R. C'est ici.

Q. ...sur des affaires se rapportant au département de la Marine, c'est ici, et devant M. Gaudet, le commissaire?—R. Devant M. Gaudet, à Sorel, oui.

Q. Vous avez donné un témoignage devant M. Gaudet à Sorel?—R. Oui.

Q. Relativement à la pierre que vous aviez vendue au département?—R. Oui.

Q. Je vous ai parlé du chaland rouge dans le cours de votre interrogatoire, cet avant-midi?—R. Oui.

Q. Dites-vous que ce chaland rouge n'a jamais été utilisé à Sorel pour le mesurage ou le chargement de la pierre que vous livriez au département pour les piers?—R. Oui, monsieur; pas plus pour cet ouvrage-là que pour les autres.

Q. Non, mais, comme question de fait, est-ce que ce chaland rouge a servi à charroyer de la pierre que vous livriez vous-même?—R. Spécialement pour la pierre?

Q. Ou pour autre chose?—R. Pour autre chose et pour la pierre, oui.

Q. Alors, vous avez eu connaissance que de la pierre que vous aviez fournie au département a été livrée à bord du chaland rouge?—R. Oui, monsieur.

Q. Combien de tonnes ce chaland rouge était-il supposé contenir?—R. Ce chaland rouge dont vous parlez a été mesuré, par des ingénieurs d'une haute compétence, comme pouvant porter de soixante et dix à soixante et quinze, et même quatre-vingts tonnes, et nous mettions à bord de la pierre concassée pour cinquante-quatre tonnes.

Q. Vous dites qu'il était supposé contenir cinquante-quatre tonnes quand vous le chargiez vous-même?—R. Il n'y a pas de supposition. Ce que je chargeais au gouvernement, c'étaient les cinquante-quatre tonnes du chargement, et le bâtiment pouvait porter de soixante et dix à soixante et quinze tonnes.

Q. Mettiez-vous cinquante-quatre tonnes à bord de ce chaland-là?—R. Nous en mettions soixante, monsieur.

Q. Et vous dites que vous n'en chargiez au département que cinquante-quatre?—R. Parce que le département m'en allouait cinquante-quatre.

Q. Prétendez-vous dire maintenant que le département, ou le gouvernement, vous privait de six tonnes par chaland?—R. Non, pas sur tous les chalands.

Q. Mais le chaland rouge?—R. Il y en a.

Q. Du chaland rouge?—R. Je parle du chaland rouge; il y a eu des chargements de soixante tonnes, sur ce même chaland-là, pour lesquels le gouvernement ne m'a alloué que soixante tonnes.

Q. Avez-vous protesté?—R. Oui. C'était inutile.

Q. Qu'est-ce qu'on vous a dit?—R. Ils ont prétendu qu'il avait été mesuré à cinquante-quatre tonnes une fois, et qu'il fallait en passer par là.

Q. A qui avez-vous protesté dans le temps?—R. J'ai protesté aux employés du département.

Q. Vous rappelez-vous à qui?—R. Ah, non, je ne m'en rappelle pas. Ce sont des affaires si minimes, vous savez, qu'on ne tient pas cela à la mémoire pendant trois ou quatre ans—des affaires de bagatelles de même.

Q. J'ai par devers moi un rapport du colonel William P. Anderson, ingénieur en chef du département de la Marine et des Pêcheries, qui se lit comme suit:—

“OTTAWA, October 8, 1906.

“SIR,—I have the honour to report that, in accordance with your instructions, I proceeded to Sorel and measured the red scow (chaland rouge) owned by the department there. She will carry 60 tons, leaving a free board of 6 inches. I cannot find that she has ever been used for carrying stone. I got from Mr. Charland a statement of all the broken stone delivered since the 12th of August, copied from his pass-book, of which I inclose a copy, marked A.

“I am afraid there have been irregularities in the carrying out of the contract for broken stone. Mr. Arcand told me that Mr. Beauchemin was allowed 20 cents a ton for loading the stone, and that, instead of billing for it direct, it was allowed him by certifying each load at 20 cents more than the quantity actually delivered.

“Further, I found that the broken stone was not properly broken, there being, on one hand, a great deal of dirt that should have been screened out, and on the other, stone that would not pass through a five-inch ring, whereas it ought to pass through a two an a half-inch ring, at largest.

“The small crusher is so worn, that it will not brake stone properly, and I was given to understand that it would be useless to fight against Mr. Beauchemin, because he had so much pull that any one that resisted him would suffer.

“Signed) WM. P. ANDERSON.”

Comprenez-vous suffisamment l'anglais pour avoir compris cela?—R. Je n'ai pas tout compris, mais j'en ai compris un peu.

Q. Vous avez compris assez pour savoir ce qu'il y a dans ce rapport-là?—R. Oui.

Q. Vous voyez ce qui en est; on vous allouait vingt cents de la tonne?—R. On m'allouait vingt tonnes par bâtiment. Ce n'est pas le pied, cela.

Q. Vingt tonnes de plus que la quantité qui était actuellement livrée?—R. Par bâtiment?

Q. Oui. Quelle explication avez-vous à donner relativement à cela?—R. Vingt tonnes sur un bâtiment. Par exemple, prenez trois cents tonnes, un bâtiment de trois cents tonnes: sur une quantité de trois cents tonnes de pierre on m'allouait vingt tonnes. C'est correct.

Par l'honorable Commissaire:

Q. What was the price per ton?—R. Le premier contrat était de deux piastres la tonne; après cela, l'année suivante, par le nouveau contrat—par les soumissions qui ont été données—c'était une piastre et quarante-huit la tonne.

Par M. Perron:

Q. Combien vous donnait-on pour le chargement?—R. Vingt cents la tonne.

Q. Pourquoi vous donnait-on un excédent de vingt tonnes?—R. Parce que le gouvernement n'avait pas d'employés pour faire le chargement, et pour éviter de faire les comptes de paie spécialement pour mes hommes, ils m'allouaient sur la pierre.

Q. C'est-à-dire que l'on vous ajoutait vingt cents de la tonne?—R. Eh, oui. Supposons que je chargeais trois cents tonnes de pierre. Trois cents tonnes de pierre, à vingt cents, ça faisait soixante piastres. Mais, au lieu d'ajouter vingt cents par tonne au prix de ces trois cents tonnes, ils calculaient le nombre de tonnes que ces vingt cents-là représentaient et ils l'ajoutaient, ce qui faisait justement la quantité, tel que requis par le gouvernement.

Q. C'est-à-dire que ça se trouvait à coûter plus cher au département pour le chargement des chalands—à vingt cents la tonne?—R. Eh, non. Cette année, j'ai vingt-cinq cents, du même département.

Q. Combien avez-vous cette année?—R. Cette année j'ai vingt-cinq cents, pour le même chargement, du même département.

Par l'honorable Commissaire:

Q. Were you allowed the price of 20 tons or just the cost of loading 20 tons?—A. Yes.

Par M. Perron:

Q. Vous avez eu moins dans ce temps-là que ce que vous avez maintenant?—R. J'ai plus cher maintenant que j'avais dans le temps; j'ai vingt-cinq cents maintenant, du même département de la Marine et des Pêcheries.

Q. Vous savez ce qui vous est reproché dans cette lettre-ci du colonel Anderson: C'est que l'on vous donnait vingt tonnes par bâtiment?—R. Ah, ça dépendait de la grosseur du bâtiment. Vingt tonnes si c'était un bâtiment de trois cents tonnes. C'est bien correct, c'est cela. On m'allouait suivant la quantité qui était chargée dans le bâtiment. Nous avons chargé des bâtiments de trois cents tonnes, nous avons chargé des bâtiments de deux cent cinquante tonnes, nous en avons chargé de deux cents tonnes; nous en avons chargé de toutes les quantités.

Q. Combien aviez-vous, par exemple, si vous chargiez vingt tonnes sur un bâtiment?—R. J'avais quatre piastres.

Q. Tout ce que vous aviez c'était le coût du chargement?—R. Le coût du chargement, vingt cents la tonne.

Q. Vingt cents la tonne pour la quantité de tonnes mises dans le bâtiment?—R. Vingt cents la tonne pour la quantité de tonnes mises dans le bâtiment.

Q. Maintenant, il paraît que vous aviez un "pull" considérable, vous, à Sorel?—R. Non, je n'en avais pas plus anciennement qu'aujourd'hui.

Q. Mais si vous en avez beaucoup aujourd'hui, vous en aviez beaucoup anciennement?—R. Comment cela?

Q. M. Anderson dit qu'il n'y avait pas moyen de vous toucher, que vous auriez fait du tort à celui qui vous aurait fait quelque chose?—R. Non, monsieur. Du moment que je livre la quantité telle que requis, le gouvernement n'a rien à dire.

Q. Vous prétendez que vous avez toujours rempli votre contrat?—R. Oui, monsieur. Et M. Anderson, d'après sa lettre, il ne dit pas ce qu'il devrait dire lui-même.

Q. Pourquoi?—R. Parce qu'il sait que la pierre a été cassée tel que requis par mon contrat.

Q. Bien non, il dit....?—R. Je ne parle pas de la lettre, mais je sais ce qu'il m'a dit, et je jure qu'il m'a dit que mon contrat était correct.

Q. M. Anderson dit dans sa lettre que vous cassiez la pierre....?—R. Cela ne me fait rien, ce qu'il dit dans sa lettre, je sais ce qu'il m'a dit.

Q. Prétendez-vous qu'il vous a dit le contraire de ce qu'il dit dans sa lettre?—R. Il m'a dit que la pierre était bien cassée, excepté qu'il m'a dit de la "screener" un petit peu plus; c'est la seule remarque qu'il m'a faite.

Q. Il ne vous a pas dit quelle était cassée trop grosse?—R. Ah, non. Quand même je l'aurais cassée plus grosse, cela aurait fait pareil; on en mettait, des pierres, grosses de même (indiquant).

Q. Dans les piliers?—R. Oui.

Q. Cela a dû aider à les faire tomber?—R. Oui.

Q. Prétendez-vous que dans la construction des "piers" il est entré de la pierre de cette grosseur-là (la grosseur que vient d'indiquer le témoin)?—R. Oui, monsieur.

Q. C'est vous qui avez fourni cela?—R. Non. Si c'eut été moi, elle aurait été plus petite. J'avais intérêt à fournir de la petite pierre plutôt que de fournir de la grosse; elle payait plus cher; mais le département trouvait cela plus avantageux de mettre de la grosse, parce qu'il sauvait de l'argent.

Q. Et en sauvant de l'argent ils ont fait tomber les piers?—R. Ah, bien, je ne connais pas cela.

Q. Quel est le M. Beauchemin qui a été assistant-inspecteur?—R. Ce n'est pas moi.

Q. Vous avez assez de pêchés sans prendre ceux de ce Beauchemin-là?—R. J'ai assez de défendre ma cause sans défendre la cause des autres.

Q. Le connaissez-vous ce Beauchemin-là?—R. Oui, monsieur.

Q. Quel Beauchemin est-ce?—R. C'est Albert Beauchemin.

Q. Votre cousin?—R. Mon oncle.

Q. Il demeure à Sorel lui aussi?—R. Non, monsieur.

Q. Où demeure-t-il?—R. Il demeure à Québec, lui, mais sa famille demeure à Sorel.

Q. De ce temps-ci il est à Québec?—R. Il travaille pour le département de la Marine à Québec.

Et le déposant ne dit rien de plus.

JOSEPH OMER LAMOUREUX, fondeur, de Sorel, âgé de quarante ans, maintenant assermenté, dépose comme suit:—

Par M. Perron:

Q. Vous êtes à l'emploi de la Compagnie des Grils Brevetés?—R. Bien, de 1902 à 1906 elle était composée de N. Cosky et de mon père, et depuis le mois d'octobre 1906 elle marche au nom de ma femme et c'est moi qui administre.

Q. C'est une société commerciale pure et simple?—R. Oui, monsieur.

Q. Et c'est votre femme qui fait affaires sous ce nom-là?—R. Oui.

Q. Quel est le nom de votre femme?—R. Maria Côté.

Q. C'est Dame Maria Côté qui fait affaires sous le nom de la Compagnie des Grils Brevetés?—R. Justement.

Q. Depuis combien d'années avant 1902 cette compagnie-là existait-elle?—R. Elle n'existait pas avant 1902. Avant 1902, c'était moi, mais sous le nom de Lamoureux et Fils.

Q. C'est l'ancienne société Lamoureux et Fils qui a été transformée en la Compagnie des Grils Brevetés?—R. Oui, monsieur.

Q. C'est vous qui en êtes le gérant et qui, pratiquement, faites toutes les affaires de la compagnie?—R. Oui, monsieur.

Q. Et cela, depuis 1906?—R. Depuis 1906.

Q. Quel montant d'affaires faites-vous par année?—R. A peu près de huit à dix mille piastres.

Q. Quel genre d'affaires faites-vous?—R. De la fonderie, et nous vendons des grils brevetés, des grils patentés.

Q. Pour les poêles?—R. Non, pour les grosses bouilloires, pour les bateaux.

Q. Etes-vous dans le même genre de commerce que la Compagnie Pontbriand et Beauchemin et Fils?—R. Non, pas du tout. Moi, je n'ai qu'une fonderie et eux autres ont une "machine shop" et une fonderie en même temps.

Q. C'est-à-dire que leur commerce est plus considérable que le vôtre?—R. Ah, oui, beaucoup.

Q. Vous n'avez qu'une branche de leur commerce, vous, c'est la fonderie?—R. Oui, monsieur.

Q. Avez-vous vos livres avec vous?—R. Non, monsieur.

Q. En 1904-05, pour combien avez-vous vendu au département?—R. Par année.

Q. Dans l'année 1904-05?—R. Je crois que ça se monte à trois mille piastres, ou trois mille cinq cents piastres, je crois.

Q. Pour cette année-là?—R. Pour cette année-là.

Q. Qu'est-ce que c'est que vous avez vendu au département?—R. Ce sont des grils, ou bien de la fonte que nous avons faite pour le département, divers morceaux de fonte.

Q. "Iron castings"?—R. Oui.

Q. Combien la livre avez-vous chargé pour ces iron-castings-là?—R. Trois cents la livre, quatre cents, ça dépend de l'ouvrage qu'il y avait.

Q. Trois et quatre cents?—R. Oui.

Q. Quel est le profit ou le pourcentage que vous faites sur la fonte que vous vendez, sur les "castings" que vous vendez à trois cents la livre?—R. Ceci varie beaucoup; il y a des morceaux sur lesquels nous pouvons faire un tiers, il y en a d'autres sur lesquels nous faisons à peu près cinq pour cent, tout au plus; il y en a d'autres sur lesquels nous perdons de l'argent.

Q. Comment expliquez-vous cela?—R. Parce que le gouvernement a un prix fixe pour tout l'ouvrage fait dans le sable vert, le prix est de trois cents. A présent, pour les ouvrages faits dans le sable sec le prix est de quatre cents. Et lorsqu'il y a de l'ouvrage à faire, ils nous donnent ces prix-là; et si on ne veut pas le faire pour ces prix-là, il faut s'en passer.

Q. Alors, vous les entreprenez à tout risque?—R. A tout risque.

Q. Quand vous faites de l'argent, c'est bon; quand vous n'en faites pas c'est la même chose?—R. La même chose.

Q. Je vois que vous avez vendu deux sets de grils pour boilers, cent douze piastres et cinquante cents (\$112.50): Est-ce que vous ne vendez qu'au gouvernement ces sets de grils-là?—R. Pas du tout, nous vendons à plusieurs compagnies.

Q. A quelles compagnies vendez-vous?—R. Nous vendons au Pacifique, nous vendons à la compagnie Richelieu, nous vendons à la compagnie Sincennes, nous vendons à la compagnie Saint-Laurent.

Q. Les mêmes grils que ceux-ci?—R. Oui.

Q. Combien vendez-vous aux autres compagnies, à d'autres que le gouvernement?—R. Ce n'est pas régulier. Nous avons vendu à la compagnie Saint-Laurent cinq piastres le pied carré.

Q. Parlons des grils semblables à ceux que vous avez vendus au gouvernement à raison de deux sets pour cent douze piastres et demie?—R. C'est précisément cela.

Q. Combien auriez-vous vendu à la compagnie Richelieu?—R. A la compagnie Richelieu, nous aurions vendu à peu près soixante et dix et quatre-vingts piastres.

Q. Pour les deux sets?—R. Pour les deux sets.

Q. Pourquoi cela?—R. La compagnie Richelieu, je lui ferais un prix meilleur marché, parce qu'elle débite beaucoup plus de grils que le gouvernement. Là où il y a une bonne pratique, je vends les premiers sets à meilleur marché, pour avoir la pratique.

Q. Le gouvernement doit être une grosse pratique?—R. Oui, comme premier placement. Ils achètent des grils et ils durent généralement une couple d'années, tandis que la compagnie Richelieu en débite jusqu'à deux sets dans la même année.

Q. C'est la raison pour laquelle vous vendez à meilleur marché aux compagnies?—R. Pas toutes les compagnies.

Q. Dois-je comprendre que la compagnie Richelieu est la seule qui achète à meilleur marché que le gouvernement?—R. Oui, monsieur. La compagnie Saint-Laurent a payé cinq piastres du pied carré, comme le gouvernement.

Q. C'est une petite compagnie, cela?—R. C'est parce qu'elle n'en dépense pas beaucoup.

Q. Le gouvernement doit en dépenser beaucoup de grils?—R. Oui, mais pas comme renouvellement. Toute la flotte qu'ils ont à Sorel en débite à peu près pour cinq cents piastres par année, tandis que j'en ai à bord du vapeur *Québec* qui me donnent quatre cents piastres par année; ceux qu'il y a sur le vapeur *Québec*, seuls, me donnent quatre cents piastres par année.

Q. Vous prétendez que le vapeur *Québec*, seul, vous donne quatre cents piastres par année?—R. Oui, monsieur.

Q. Et que le gouvernement, avec toute sa flotte, ne vous donne que cinq cents piastres?—R. A peu près cela; depuis qu'ils les ont, à peu près cinq cents piastres.

Q. Cela veut dire que le gouvernement ne se sert pas de ses fournaies? quoi?—R. Oui, monsieur, ils s'en servent; seulement, les bateaux de la compagnie Richelieu forcent beaucoup plus la vapeur que les autres, parce qu'ils sont obligés de tenir une

certaine quantité de vapeur pour faire leur marche régulière dans le temps ordinaire; tandis que les autres, ceux du gouvernement, ce sont pour ainsi dire des tugs, qui s'en vont, et que ça prenne une heure ou deux de plus ou de moins pour se rendre à destination, ça ne fait pas de différence. Les bateaux de la compagnie Richelieu sont obligés, eux, de se rendre dans le temps marqué, autant que possible.

Q. Quel est le pourcentage du profit que vous avez fait sur les grils que vous avez vendus cent douze piastres et demie—R. Il y a à peu près dix-huit à vingt pour cent, au moins.

Q. Est-ce le profit net, cela, ou le profit brut?—R. Le profit net.

Q. Toutes vos dépenses enlevées?—R. Oui, monsieur.

Q. Mais qu'est-ce que le gouvernement fait avec tous ces "iron castings"? Je vois qu'il en achète de tout le monde, des quantités considérables. Savez-vous à quoi sont employés ces iron castings-là à Sorel?—R. C'est pour les bateaux qui sont en construction.

Q. Tout le temps? Est-ce qu'ils construisent tout le temps à Sorel?—R. Tout le temps, oui, monsieur.

Q. En 1905-06, pour combien avez-vous vendu au gouvernement?—R. C'est à peu près le même montant, je crois, de trois à quatre mille piastres par année.

Q. De quoi se composaient les ventes, cette année-là encore?—R. Précisément la même chose, soit grils ou "castings", divers morceaux en réparations.

Q. Je vois que vous avez vendu de la corde, ou du fil de fer?—R. Pas du tout.

Q. C'est du crédit, cela?—R. Précisément.

Q. Avez-vous acheté du gouvernement du "scrap-iron"?—R. Oui, monsieur.

Q. Vous avez acheté du département, vous dites, du "scrap-iron"?—R. Oui, monsieur.

Q. D'où vient-il ce "scrap-iron" là?—R. Nous le prenons dans le chantier, là. Généralement, une couple de fois par année, ils ramassent le vieux fer, la fonte, le cuivre, différentes choses, et ils séparent cela, et lorsque nous en avons besoin.... ou bien, des fois, je vais au département et je demande à M. Papineau s'il pourrait me vendre la fonte qu'il a.

Q. En 1905-06, de qui achetiez-vous le "scrap-iron"?—R. De M. Desbarats.

Q. Ce "scrap-iron" que vous achetiez du département, est-ce vendu à vente privée, comme un marchand vend au comptoir, ou est-ce vendu sur soumission, à l'encan, ou comment?—R. A vente privée, monsieur.

Q. A vente privée?—R. C'est-à-dire que je ne suis pas seul; tous ceux qui ont du patronnage dans la fonderie, le département leur laisse avoir de la fonte. Ils séparent cela, à peu près.

Q. A quel prix?—R. Au prix régulier.

Q. Qu'est-ce que vous entendez par le prix régulier?—R. Le prix régulier c'est de dix à vingt piastres la tonne.

Q. Et ça dépend s'il y a du cuivre? Ou quoi?—R. Non, pas du tout; ça dépend de la qualité de la fonte. Quelquefois la fonte peut être très bonne, mais ils nous la laissent à meilleur marché parce qu'on est obligé de la casser; ce sont des gros morceaux et nous avons de la dépense pour casser ces morceaux-là.

Q. Et vous dites que ces ventes-là se font une couple de fois par année?—R. Deux ou trois fois. Quand on a besoin de fonte, s'il y en a de l'autre côté, on va demander au directeur du chantier s'il veut nous laisser avoir de la fonte.

Q. Et généralement il accepte?—R. Oui.

Q. Est-ce que des avis sont donnés de temps en temps qu'il y a de la fonte qui va se vendre, qu'il y a de la fonte à vendre, ou quelque chose comme cela?—R. Pas du tout, monsieur. Nous allons faire un tour de l'autre côté généralement toutes les semaines et nous voyons s'il y a de la fonte.

Q. Combien les marchands payaient-ils pour cette fonte-là que vous payiez quatorze cents, vous—combien payaient-ils, eux?—R. Je l'ignore complètement.

Q. Vous ne savez pas s'il y a un prix courant pour cette fonte-là?—R. Pas du tout.

Q. Vous ne savez pas non plus s'il y a compétition pour la vente?—R. Bien, oui, je sais qu'il y a plusieurs marchands de fonte, qui vendent généralement depuis dix, douze, quinze, jusqu'à vingt, et même jusqu'à vingt-cinq piastres la tonne. Mais cette fonte-là n'est pas vendue à d'autres que ceux qui ont le patronage à Sorel.

Q. Alors, si vous n'achetiez pas du gouvernement, vous seriez obligé de payer vingt-cinq piastres la tonne? Est-cela?—R. Non, pas du tout. La fonte de vingt-cinq piastres la tonne est une fonte supérieure, dont nous employons seulement un cinquième par tonne de fonte que nous faisons. Nous faisons un mélange de fonte.

Q. Voulez-vous dire que la fonte que vous achetez du gouvernement, du département de la Marine à Sorel, n'est pas aussi bonne que la fonte que vous pourriez acheter ailleurs généralement?—R. Précisément.

Q. Mais pourquoi cela?—R. J'ignore pourquoi.

Q. C'est de la fonte que vous vendez, généralement?—R. Ah, quand c'est nous autres, elle est meilleure; mais elle n'est pas toujours faite par la même fonderie.

Q. D'après ce que je puis voir, il ne doit pas s'acheter beaucoup de fonte par le département en dehors de Sorel?—R. Non, pas beaucoup; mais ceux qui avaient fait les ouvrages avant nous n'en faisaient pas d'aussi bon; et alors, il nous fallait prendre cette fonte-là.

Q. Comment? Ceux qui avaient fait les ouvrages avant vous?—R. Autrefois il y avait la *Dominion Foundry* qui faisait de l'ouvrage, il y avait M. Jean Bruneau, il y a plusieurs années, et ce sont ces morceaux-là qui, n'étant pas bons, nous sommes obligés de les prendre. La fonte que nous avons faite, nous autres, depuis ce temps-là, elle dure encore; ça n'est pas celle-là que nous achetons comme "scrap-iron".

Q. Qu'est qui est advenu de la *Dominion Foundry Company*?—R. Elle est morte, depuis plusieurs années; je ne sais pas où est le propriétaire.

Q. Ça n'est plus en existence à Sorel?—R. Non.

Q. Et M. Jean Bruneau?—R. Il est mort. C'était le père du juge Bruneau; il est mort il y a une quinzaine d'années.

Q. Alors, vous prétendez que—sans vous vanter—la fonte que vous vendez au département maintenant est beaucoup meilleure que celle qui était fournie par vos prédécesseurs?—R. Dans tous les cas, c'est bien l'opinion de ceux qui connaissent l'ouvrage, de l'autre côté, au département, à Sorel.

Q. Maintenant, monsieur Lamoureux, vous payez cette fonte-là, le "scrap-iron", quatorze piastres la tonne. Je suppose qu'au lieu d'acheter cette fonte du département de la Marine à Sorel vous l'achetiez d'un vendeur de "scrap-iron", de fonte, en dehors, combien payerez-vous pour cette fonte-là, la fonte de même qualité et dans les mêmes conditions?—R. Je payerais à peu près une piastre la tonne, je crois, meilleur marché.

Q. Meilleur marché?—R. Oui, monsieur.

Q. Vous ne venez pas me dire que vous payez plus cher au gouvernement que vous payeriez à un particulier, monsieur Lamoureux, n'est-ce pas?—R. Oui, monsieur, parce que le gouvernement, si on ne prenait pas la fonte, le "scrap" qu'il y a de l'autre côté, au département à Sorel, il nous la vendrait plus cher.

Q. Comment cela, il nous la vendrait plus cher?—R. Lorsque j'ai pris la fonderie, la Compagnie de Grils, en 1902, si je me rappelle bien, le département avait beaucoup de fonte sur le chantier à Sorel; alors on a décidé de vendre la fonte un centin la livre; mais dans le temps la fonte était cassée, toute prête à mettre dans le fourneau. Alors, on nous ôtait une cent la livre sur nos ouvrages. A ce prix-là la fonte était vendue bien trop cher, mais pour garder la pratique il fallait absolument prendre cette fonte-là. Plus tard la fonte a manqué, et là on n'est pas obligé de prendre la fonte. Du moment que la fonte commence à venir en plus grande quantité, on n'ose pas trop la laisser, pour pas qu'ils soient obligés de nous la charger à une cent la livre.

Q. Vous prétendez que vous achetez la fonte à une piastre la tonne de plus qu'elle ne vaut pour obliger le département?—R. Pas pour obliger le département, mais pour conserver la pratique, et pour ne pas me la faire charger plus cher dans cinq ou six mois.

Q. Combien de livres de "scrap-iron" ou de fonte achetez-vous du département à ne piastre la tonne de plus que ça vaut, comme cela?—R. Ah, je ne sais pas au juste le montant.

Q. A peu près—avez-vous une idée? ça doit représenter une perte considérable sur votre chiffre d'affaires, cela, monsieur Lamoureux?—R. Non, pas du tout. Le prix de la fonte chez les marchands est meilleur marché l'été que l'hiver, tandis qu'au gouvernement on paie toujours le même prix, dans tous les temps de l'année, on ne paie pas plus cher l'hiver que l'été; de sorte que, à la fin du compte, on se trouve à payer le même prix.

Q. Alors, vous payez au département le même prix que vous paieriez ailleurs?—R. La même chose.

Q. Maintenant, monsieur Lamoureux, quels sont les employés du département, les officiers du département que vous avez eu occasion de rencontrer dans le cours des transactions que vous avez faites avec le département?—R. J'ai rencontré l'honorable ministre, M. Desbarats et M. Cosky, Siméon Cosky.

Q. Qu'est-ce qu'il fait, M. Cosky?—R. C'est lui qui est pour ainsi dire surintendant des travaux, au département, à Sorel.

Q. Avez-vous rencontré le colonel Anderson?—R. Non, monsieur, je ne le connais pas.

Q. Le colonel Gourdeau?—R. Oui.

Q. Vous avez rencontré le colonel Gourdeau?—R. Oui.

Q. Avez-vous rencontré M. J. F. Fraser?—R. Non, monsieur, je ne le connais pas.

Q. M. B. H. Fraser?—R. Non, monsieur, pas à ma connaissance.

Q. Vous n'avez pas rencontré M. B. H. Fraser?—R. Je peux l'avoir rencontré, mais je n'ai eu rien à faire avec lui, ni avec aucun d'eux autres.

Q. Il n'y a pas eu de transaction de faite avec lui?—R. Non, monsieur.

Q. Aucune?—R. Aucune.

Q. M. U. P. Boucher?—R. La même chose, jamais.

Q. Vous n'avez jamais eu affaire à M. U. P. Boucher?—R. Bien, j'ai eu une soumission, en 1904, pour des ancrs, et j'ai envoyé mon compte à M. Boucher. Voilà tout ce que j'ai eu à faire avec lui.

Q. Dois-je comprendre que les seuls officiers du département avec lesquels vous prétendez avoir transigé seraient le colonel Gourdeau, M. Boucher, M. Cosky et M. Desbarats?—R. J'ai transigé seulement avec M. Desbarats et le ministre.

Q. Par qui les chèques vous étaient-ils remis quand vous étiez payé?—R. Ah, bien, ils nous sont envoyés à Sorel par la malle.

Q. Par la malle?—R. Toujours.

Q. Vous ne receviez pas de chèques d'un officier du département?—R. Non, monsieur.

Q. Qui allait vous payer là?—R. Non, monsieur pas du tout. A la fin de chaque mois nous recevons par la malle les chèques du gouvernement, qui nous sont envoyés par le gouvernement.

Q. Vous devez faire les efforts considérables pour obtenir du patronage, pour obtenir des contrats, pour obtenir des ordres?—R. Oui. Quelquefois, quand l'ouvrage commence à être tranquille, je m'adresse à M. Desbarats, ou au ministre—je n'en connais pas d'autre pour avoir de l'ouvrage.

Q. Et vous réussissez généralement?—R. Quelquefois, assez pour me donner de l'ouvrage de temps en temps.

Q. Connaissez-vous ce que c'est qu'une demande de soumissions?—R. Oui, monsieur.

Q. Avez-vous jamais entendu parler d'un contrat accordé sur soumissions?—R. Oui, souvent.

Q. Avez-vous jamais soumissionné, vous?—R. Une fois, monsieur.

Q. Avez-vous été chanceux?—R. Oui, monsieur, j'ai eu mon contrat.

Q. Parce que vous étiez le plus haut?—R. Parce que j'étais le plus bas.

Q. Qu'est-ce que c'était que ce contrat-là?—R. Pour des grils.

Q. A part cela, tout ce que vous avez vendu au département, ça toujours été vendu sans soumissions?—R. Sans soumissions, sur des ordres que je recevais.

Q. Vous ne devez pas les manquer?—R. Je n'aime pas cela.

Q. Vous ne devez pas les manquer?—R. Non, monsieur, autant que possible.

Q. Pas de soumissions, vous devez vous payer du luxe avec cela?—R. Je charge le prix que le gouvernement donne à tous les autres, je ne charge pas plus cher. Son prix, au gouvernement, est de trois cents la livre, et quatre cents pour une fonte supérieure. Alors, on m'envoie un ordre pour une certaine quantité de morceaux à trois cents la livre, et il faut que je m'exécute; qu'ils paient ou qu'ils ne paient pas, il faut les faire la même chose.

Q. Ça paie bien, n'est-ce pas, de vendre au département?—R. A peu près onze à douze pour cent. Ce n'est pas la mer à boire.

Q. C'est-à-dire que si c'étaient des particuliers vous auriez à peu près les deux tiers du prix; si vous vendiez à d'autres qu'au département, vous auriez les deux tiers de ce que vous chargez au département?—R. Non, non, jamais, je chargerais la même chose; parce que j'ai des particuliers à qui je vends plus cher qu'au département. Je n'ai jamais chargé au département plus que quatre cents la livre, ou quatre cents et demi, et j'ai des particuliers pour qui j'ai fait de la fonte au prix de huit cents la livre.

Q. Mais ce n'est pas de la même fonte?—R. La même fonte; seulement, ce ne sont pas les mêmes morceaux.

Q. Des morceaux plus difficiles?—R. Des morceaux qui sont plus difficiles.

Q. Voyons, monsieur Lamoureux, vous n'avez jamais chargé à un particulier un sou de plus que vous chargez au département, n'est-ce pas?—R. Pardon, monsieur; j'ai dans mes livres—et je puis vous les montrer—de l'ouvrage à sept et huit cents la livre, de la fonte pour certains morceaux. Et je vais vous donner le nom: c'est M. Paul Lair, qui fait des engins à gazoline. Je lui ai chargé sept et huit cents la livre pour de la fonte.

Q. Et vous auriez fait cette fonte-là pour le département à trois cents la livre?—R. J'aurais été obligé de le faire, pour ne pas perdre l'ouvrage.

Q. Eh bien, monsieur Lamoureux, en dehors de la fonte—puisque vous dites qu'il y a un prix régulier—quels sont les articles sur lesquels vous vous refaites, les articles que vous vendez sans soumissions et sur lesquels vous salez le département comme il faut? Quels sont ces articles-là?—R. Je ne les connais pas.

Q. Quels sont les articles que vous vendez plus cher au département qu'aux particuliers?—R. Je ne les connais pas.

Q. Vous n'avez pas un seul article, dans vos ventes pour les trois années que je vous mentionne, que vous avez vendu plus cher au département que vous ne l'auriez vendu à d'autres?—R. Ah, non, pas du tout, monsieur; aucun, aucun article.

Q. Les articles vendus sans soumissions, vous n'auriez pas vendu cela plus cher à un particulier que vous l'avez vendu au département?—R. Pas du tout, le même prix, précisément.

Q. Est-ce du gros ou du détail que vous faites chez vous?—R. Les deux.

Q. Vous avez deux prix?—R. Non, pas du tout, je n'ai seulement qu'un prix.

Q. Est-ce que vous n'avez pas un prix pour le gros et un prix pour le détail?—

R. Ah, oui, certainement; mais le gouvernement ne nous donne jamais des ouvrages en gros, c'est toujours en détail.

Q. Pourquoi cela?—R. On arrive aujourd'hui avec un ordre et on me dit: "Faites-donc deux morceaux comme ceci". On me donne le patron et je fais les deux morceaux. Demain on arrivera avec un autre morceau: Faites-donc deux morceaux faites-m'en donc six, douze ou vingt morceaux. A présent, quel prix me demandez-vous pour les faire? Cela serait tout différent. Voilà la position dans laquelle ils nous mettent. Ils ne sont pas pour demander un prix pour chaque morceau qu'ils viennent nous apporter.

Q. Je ne comprends pas bien votre explication, monsieur Lamoureux. Prenez un homme comme vous, qui vendez, par année, jusqu'à quatre mille piastres, vous n'avez dit, au département?—R. Oui.

Q. Vous ne considérez pas que ces ventes-là sont des ventes de gros?—R. Oui, ce sont des ventes de gros. Et le gouvernement paye pour des ventes de gros, vu qu'il y a des ouvrages qui ne nous donnent rien du tout, bien souvent, et bien contents quand on y perd pas.

Q. J'ai compris de vous, monsieur Lamoureux—corrigez-moi si je me suis trompé—mais j'ai compris de vous que vous chargiez au département le prix du détail; et là, vous venez de me répondre que vous chargez au département le prix du gros?—R. Oui.

Q. Il va falloir s'entendre à ce sujet-là?—R. Parfaitement. Le prix que le gouvernement paye pour sa fonte, c'est le prix que nous chargeons généralement à tous ceux qui donnent un peu d'ouvrage. Si un homme vient me faire faire de l'ouvrage, mais que très peu, je lui charge plus cher.

Q. Bien, oui, mais quand commencez-vous à considérer qu'un ordre qui vous est donné est un ordre de gros, quand cesse-t-il d'être un ordre de détail? Il faudrait toujours, d'une façon ou d'une autre, établir des limites?—R. Voici: Lorsque j'ai commencé à prendre du patronage, lorsque j'ai reçu du patronage, la fonte était à trois cents. Je n'étais pas pour aller casser les prix, ni demander plus, ni moins. On m'a dit: "Les prix, c'est trois cents la livre"...

Q. Pardon, si je vous interromps. Dans ce temps-là, combien chargiez-vous à vos clients de gros, pour la fonte de même qualité?—R. Dans le temps, nous n'en faisons pas. Nous avons passé au feu, nous n'avons aucune pratique. On ne s'était pas occupé de fonderie avant cela.

Q. Si vous n'en faisiez pas, vous, il y avait certainement d'autres manufacturiers qui en faisaient, et vous devez savoir quel était dans le temps le prix du marché pour cette fonte-là. Je parle toujours en dehors du prix qui était chargé au département?—R. C'était le même prix, ils chargeaient tous le même prix.

Q. C'était le même prix, vous dites?—R. Le même prix.

Q. Maintenant, monsieur Lamoureux, combien vous coûte par année ce patronage que vous obtenez à Sorel?—R. Je ne sais pas ce que vous voulez dire.

Q. Vous savez, on n'obtient pas du patronage comme cela sans être obligé de voir à avoir soin du monde un peu, des employés?—R. Jamais, je ne connais pas cela.

Q. Vous ne connaissez pas cela, avoir soin des employés?—R. Non, monsieur, pas du tout.

Q. Combien payez-vous de commission?—R. Je ne connais pas cela, monsieur. Je ne veux pas en payer de commission; je reçois des ordres de M. Desbarats et je reçois des ordres de M. le ministre, voilà tout.

Q. Mais les employés qui vous traitent bien, qu'est-ce que vous faites pour eux?—R. Je ne fais rien. Ils ne me traitent ni bien ni mal; ils m'apportent mes ordres et ils viennent chercher la fonte, voilà tout.

Q. Vous ne faites pas même autant que M. Beauchemin, vous ne leur payez pas même la traite?—R. Bien, non. Il faudrait que je commencerais cela aujourd'hui.

Q. Combien avez-vous payé de commission, à qui que ce soit?—R. A venir jusqu'aujourd'hui je n'ai toujours pas encore payé un cent.

Q. Ni directement, ni indirectement?—R. Ni directement ni indirectement.

Q. Il n'y a pas de réserve mentale, là?—R. Pas du tout.

Q. Lorsque je parle de commission, j'entends n'importe quel avantage quelconque?—R. Pas du tout.

Q. Endosser des billets, faire obtenir du crédit?—R. Pas du tout, rien, jamais.

Q. Vous n'avez jamais payé un sou à qui que ce soit?—R. A qui que ce soit.

Q. Est-ce qu'il y a des employés du département qui sont allés vous trouver et qui vous ont demandé de les récompenser, qui vous ont demandé des commissions?—R. Pas du tout.

Q. Est-ce que personne vous a laissé entrevoir qu'il était de votre intérêt de voir à ce que des commissions soient payées?—R. Jamais à ma connaissance.

Q. Vous n'avez jamais entendu parler de cela?—R. Jamais.

Et le déposant ne dit rien de plus.

JOSEPH GRENIER, comptable, de Sorel, âgé de vingt-six ans, est maintenant assermenté et dépose comme suit:—

Par M. Perron:

Q. Monsieur Grenier, quelle est votre occupation?—R. Je suis commis chez M. Martin.

Q. Vous êtes aussi son teneur de livres?—R. Oui.

Q. Pourquoi M. Martin n'est-il pas venu?—R. Bien, dans les livres il ne s'y connaît pas beaucoup. C'est moi qui tient toute sa besogne.

Q. C'est vous qui tenez toute sa besogne?—R. Oui.

Q. Qu'est-ce qu'il fait M. Martin?—R. Il est commerçant de charbon.

Q. A Sorel?—R. Oui, monsieur.

Q. Il vend au département, M. Martin?—R. Oui, monsieur.

Q. Avez-vous vos livres avec vous?—R. Je n'ai pas mes livres, mais j'ai pris copies des ventes que nous avons faites.

Q. Voulez-vous me montrer cela, s'il vous plaît?

(Le témoin remet à l'avocat un état ou papier.)

Q. En 1904-05, d'après le livre bleu, vous êtes supposé avoir vendu au département pour \$1,194.66?—R. En 1904 nous avons vendu au département dont M. Roy était le surintendant pour \$391.25; en 1905 nous avons vendu au même département pour \$664.96; ensuite, en 1904-05, nous avons vendu au département de la Marine, c'est-à-dire au chantier à Saint-Joseph, pour cent quatre-vingt-quinze piastres et trois cents (195.03); en 1905, nous avons vendu au même département pour trois cent cinquante-trois piastres et vingt-deux cents (\$353.22), c'est ce qui a été vendu pas par soumissions.

Q. Vous avez vendu, alors, sans soumissions, pour combien? C'est cela que je voudrais savoir?—R. Ce que nous vendions au département de M. Roy, et au département de la Marine, de l'autre côté, à Saint-Joseph, et au Shamrock, nous n'avons pas eu de demande de soumission pour cela.

Q. Voyez-vous, monsieur Grenier, le livre bleu démontre pour l'année 1904-05 un paiement de onze cent quatre-vingt-quatorze piastres et soixante-six cents (\$1,194.66).

(L'avocat met le livre bleu sous les yeux du témoin, en lui indiquant un certain endroit du livre.)

Q. "Martin, Alexis", voyez-vous?—R. Ah, oui—cent soixante tonnes de charbon, du charbon de forge. Cela, ça été donné par soumissions, ce charbon-là.

Q. Vous prétendez que l'item de cent soixante tonnes de charbon, c'est à la suite d'un contrat et d'une demande de soumissions?—R. Oui, monsieur, il y a eu une demande de M. Desbarats pour cela.

Q. Vous dites que vous avez eu une demande de M. Desbarats; comment savez-vous que des soumissions avaient été demandées ailleurs?—R. Ah, je ne sais pas s'il en avait été demandé à nous autres. M. Desbarats nous a envoyé une lettre: "Please quote George Cumberland coal, delivered in the ship yard".

Q. Et vous dites que vous avez vendu du charbon à M. Roy?—R. Bien, c'est toujours au département de la Marine, mais c'est M. Roy qui était le surintendant.

Q. Qu'est-ce qu'il faisait de ce charbon-là, M. Roy?—R. Il était employé pour les bateaux du gouvernement.

Q. Pour les bateaux?—R. Oui. Il y avait sept ou huit bateaux là qui marchaient pour le département de la Marine.

Q. Est-ce que vous ne voyiez pas des tas de charbon dans les cours du département, pour les bateaux, lorsque vous avez vendu vous-même du charbon?—R. Dans le temps, ils achetaient en grosse quantité pour les “dredges”; mais pour ces bâtiments-là, ils n'en achetaient pas en grosses quantités, ils n'en recevaient pas par steamers dans ce temps-là.

Q. Et aujourd'hui?—R. Aujourd'hui ils en reçoivent par steamers.

Q. C'est-à-dire que dans ce temps-là ils achetaient en détail et maintenant ils achètent en gros. Est-ce cela?—R. Oui.

Q. Depuis combien de temps a-t-on changé de système?—R. Nous ne leur en avons pas vendu depuis... (Le témoin réfère à des notes). Je crois qu'ils ont commencé l'an dernier à en faire venir par bâtiments, comme cela.

Q. Les prix que vous avez chargés à M. Roy, sont-ce les prix du gros ou les prix du détail?—R. Les prix du détail. Nous étions obligés de leur livrer ce charbon-là le jour et la nuit, le dimanche; et c'était en partie par petites quantités. Dans ces conditions-là nous ne pouvions pas arriver à leur vendre au prix du gros.

Q. Maintenant, je vois que vous vendez de la chandelle aussi?—R. Du suif; nous leur en avons vendu une fois.

Q. Etes-vous marchand de charbon et marchand de suif en même temps? Ça ne n'a pas l'air d'être deux commerces qui vont bien ensemble, cela?—R. Ça nous avait été donné pour un compte, ce suif-là. On avait cela, le département en avait besoin, ils nous ont demandé combien on pourrait leur vendre nous leur avons passé ce que nous avions. Nous n'en avions pas une grosse quantité.

Q. Deux mille livres?—R. Deux mille livres.

Q. Vous dites que c'était du suif que vous aviez reçu en paiement d'un compte de charbon?—R. Oui, monsieur.

Q. Et vous vous en êtes débarrassé en le passant au département?—R. Eh bien, l'acheter de nous autres ou l'acheter d'un autre, du moment que nous le leur vendions au prix courant, je ne vois pas quelle différence cela pouvait leur faire.

Q. Le prix courant était sept cents?—R. Sept cents.

Q. Jurez-vous que vous auriez vendu ce suif-là à un autre que le département pour sept cents la livre?—R. On m'a dit que c'était le prix courant, sept cents; je ne suis pas en position de vous dire si c'était le prix courant.

Q. Qui vous a dit que sept cents était le prix courant?—R. C'est celui de qui nous l'avons eu.

Q. Vous l'aviez payé sept cents, vous autres?—R. Oui. Nous l'avons pris, nous autres, pour un compte.

Q. Et vous dites que vous l'aviez payé sept cents?—R. Oui, monsieur.

Q. Et vous l'avez revendu au gouvernement sept cents?—R. Le même prix, oui; nous n'avons absolument rien fait là-dessus.

Q. A qui avez-vous vendu ce suif-là?—R. Au département de Saint-Joseph.

Q. Qui représentait le département ce fois-là?—R. C'était M. Desbarats.

Q. C'est avec M. Desbarats lui-même que vous avez transigé?—R. On a eu un ordre de lui pour cela.

Q. Est-ce vous qui êtes allé trouver le département pour lui vendre du suif, ou si c'est le département qui est allé vous trouver?—R. Je crois que M. Martin a été offrir le suif de l'autre côté, et comme dans le temps ils en avaient besoin, ou a eu l'ordre pour ce qu'on avait.

Q. C'est M. Martin qui est allé voir le département?—R. Oui.

Q. Dois-je comprendre qu'à Sorel, quand vous avez quelque chose qui vous embarrasse, vous allez voir le département de la Marine? Est-ce cela qui se passe?—R. Non, monsieur, mais ça s'adonnait qu'ils en avaient besoin, et nous ne demandions pas mieux que de le passer.

Q. Maintenant, monsieur Grenier, je crois qu'en 1906-07 vous avez fait de grosses affaires avec le département, n'est-ce pas? Deux mille six cent trois piastres et dix-huit cents (\$2,603.18)—quatre cent quatre-vingt-quinze tonnes de charbon mou?

(L'avocat met sous les yeux du témoin le livre bleu.)—R. La quantité de tonnes, je ne l'ai pas, mais je pourrais bien dire tous les montants qui nous ont été payés.

Q. Vous avez reçu deux mille six cent trois piastres et dix-huit cents (\$2,603.18)?
 --R. Nous avons reçu une fois vingt-six piastres (\$26), une autre fois quatre cent soixante et trois piastres (\$463), une autre fois un chèque de cinq cent quatre-vingt-six piastres (\$586), seize piastres et quatre-vingt-huit cents (\$16.88), seize piastres et quatre-vingt-sept cents (\$16.87), six cent soixante et dix piastres (\$670).

Q. Cela fait en tout combien?—R. Je ne sais pas, je n'ai pas calculé.

Q. Il y a une grosse vente, là, de quatre cent quatre-vingt-quinze tonnes de charbon: Était-ce un contrat, cela?—R. Nous avons eu le contrat pour l'*Arctic*.

Q. Par soumission?—R. Par soumission, oui.

Q. C'était la fourniture du charbon pour l'*Arctic*, cela?—R. On a mis pour l'*Arctic* cinq cent trente-cinq tonnes et quinze cent quatre-vingt-dix livres de charbon dur, "stove coal".

Q. Par soumission?—R. Par soumission.

Q. A qui des soumissions avaient-elles été demandées, à part de vous? Le savez-vous?—R. Des soumissions avaient été demandées à M. Lavallée, de Sorel, je crois.

Q. Je parle toujours de la vente faite pour l'approvisionnement de l'*Arctic*. Combien avez-vous vendu pour l'approvisionnement de l'*Arctic*? J'entends à la tonne?
 --R. Le prix?

Q. Oui?—R. Six piastres et trente-cinq cents (\$6.35).

Q. Est-ce que ce n'était pas trop cher, cela, monsieur?—R. Non, ce n'était pas trop cher; et si on avait su dans le temps ce qu'on a su après, on ne l'aurait pas pris à ce prix-là.

Q. Pourquoi cela?—R. Parce qu'on a été obligé de trimmer cela à bord du bâtiment. Nous étions sous l'impression que nous aurions à livrer le charbon à bord et qu'ils feraient le trimmage eux-mêmes; mais ça n'a pas été comme cela; nous avons été obligés de tenir une dizaine d'hommes là tout le temps qu'ils ont chargé ce bâtiment-là.

Q. Combien avez-vous fait de profit sur ce charbon-là?—R. Nous n'avons pas fait un gros profit; nous devons avoir fait une trentaine de cents, de trente à quarante cents par tonne.

Q. C'est un gros profit, cela, sur une quantité comme celle-là; quarante cents la tonne sur cinq cents tonnes de charbon, c'est un gros profit, n'est-ce pas?—R. On ne fait pas cela clair; je ne crois pas qu'on ait fait trente cents clair.

Q. Vous vendez du charbon, en grosse quantité comme cela, pour moins que trente cents la tonne, généralement?—R. Trente cents la tonne, ce n'est pas un profit exorbitant.

Q. Maintenant, je vois que dans les deux années 1905-06 et 1906-07 vous avez fourni pas mal de charbon, au détail encore?—R. Oui. Il ne pouvait pas leur vendre ce charbon-là au prix du gros, quand on était obligé de leur donner cela à un voyage ou deux voyages à la fois, et dans n'importe quel temps, le dimanche comme la semaine, et qu'on était obligé de courailler après les hommes pour leur livrer cela au temps où ils voulaient l'avoir, et payer le temps des hommes. On ne pouvait pas arriver à leur vendre le charbon au prix du gros.

Nous leur avons vendu du charbon de forge avec vingt et vingt-cinq cents; mais le charbon de forge, c'était par soumission et c'étaient des gros lots, un bâtiment à la fois. Mais sur les autres livraisons de charbon, qui étaient faites au voyage, on ne pouvait pas leur faire les prix du gros.

Q. Je vois dix-huit tonnes de charbon chargées au prix du détail. Dix-huit tonnes de charbon, c'est une bonne vente, cela?—R. Bien, c'est une bonne vente... On vendait trente-cinq cents par tonne plus cher que ce qu'on a vendu au *Shamrock*, à une compagnie, une compagnie qui prenait pour trois mille piastres par année de charbon.

Q. Quest-ce que c'était que cela, le *Shamrock*?—R. C'est le bateau des bouées.

Q. Un bateau du gouvernement?—R. Oui.

Q. Le bateau de Boucher?—R. Oui.

Q. Et vous dites que vous avez vendu trente-cinq cents meilleur marché?—R. Trente-cinq cents plus cher.

Q. Je vois que vous avez vendu au *Shamrock* des sommes considérables?—R. Bien, considérables....

Q. Assez considérables, n'est-ce pas?—R. Il prenait pour deux mille piastres, deux mille deux cents piastres, deux mille trois cents piastres par été.

Q. Par été, c'est un joli montant?—R. Oui.

Q. Comment se fait-il que vous vendiez le charbon au *Shamrock* au prix du détail, lorsqu'il en dépensait pour trois mille piastres par été?—R. Pas trois mille piastres.

Q. Deux mille, disons?—R. Deux mille deux cents, deux mille trois cents.

Q. Je vais prendre vos propres chiffres, monsieur. Me direz-vous qu'un client qui achète pour deux mille ou deux mille deux cents piastres de charbon par été ne doit pas payer le prix du gros?—R. Je vous dis qu'on en a vendu plus cher que ce qu'on a vendu au *Shamrock*; qu'on a vendu du charbon, à trente-cinq cents plus cher qu'au *Shamrock*, à une compagnie qui brûlait plus de charbon que le *Shamrock*.

Q. A qui?—R. A la *General Construction Company*, pour les "dredges" qu'ils ont.

Q. Vous ne me direz pas que si des soumissions avaient été demandées le département ne pouvait pas obtenir, d'autres personnes, d'autres marchands, soit de Sorel ou d'ailleurs, du charbon à des prix plus avantageux que ceux qui vous ont été payés pour la fourniture du charbon au *Shamrock*, ou autres bâtiments?—R. On aurait pu leur vendre à un peu meilleur marché si on leur avait mis le charbon sur le quai, par exemple, et ne pas être obligés de le leur mettre à bord, et ne pas être obligés d'aller là le dimanche, et n'importe quand, pour leur livrer du charbon. Cela, c'est différent.

Q. Eh, bien, tout cela pris en considération, étant donné que vous livrez le charbon comme vous le livrez, étant donné que vous en avez livré le dimanche, que vous l'avez mis dans les bâtiments, le dimanche et la nuit, ne croyez-vous pas que si des soumissions avaient été demandées, des marchands de charbon, soit de Sorel, de Montméal ou d'ailleurs, auraient pu fournir, et auraient fourni effectivement, le charbon à meilleur marché que ce que vous avez chargé au département?—R. Je ne sais pas si les autres l'auraient fait, mais M. Martin ne l'aurait pas vendu à meilleur marché; c'est mon idée qu'il ne l'aurait pas vendu à meilleur marché.

Q. Vous vous trouvez à faire un profit considérable sur ces ventes de charbon-là, dont la livraison se faisait au *Shamrock*?—R. Non, pas considérable.

Q. Quel pourcentage?—R. A peu près quinze pour cent.

Q. Net ou "gross"?—R. Net.

Q. Toutes dépenses payées?—R. Oui.

Q. Dépenses de teneur de livres, de bureau, tout cela?—R. Ah, bien, je ne compte que les dépenses des hommes; ensuite il y a les dépenses de bureau, et autres dépenses. Net, on ne fait pas quinze pour cent.

Q. Combien faisiez-vous, net, sur ces ventes-là?—R. Net, c'est beau si on faisait dix pour cent.

Q. Pour les marchands de charbon, dix pour cent, est-ce que ce n'est pas un gros profit?—R. Pas effrayant.

Q. Ce n'est pas effrayant, non, mais est-ce que vous ne vous contentez pas d'un profit beaucoup inférieur à dix pour cent, les marchands de charbon?—R. Non, monsieur.

Q. Maintenant, qui vous a donné l'ordre pour l'*Arctic*?—R. Pour l'*Arctic*, les soumissions ont été demandées par le colonel Gourdeau.

Q. D'Ottawa ou de Sorel?—R. D'Ottawa.

Q. Avez-vous envoyé votre soumission à Ottawa ou les soumissions ont-elles été ouvertes à Sorel?—R. Les soumissions ont été envoyées à Ottawa.

Q. Vous avez vendu, dites-vous, pour l'*Arctic*, combien...? Six cents tonnes?—R. Cinq cent trente-cinq tonnes, quinze cent quatre-vingt-dix livres.

Q. Sont-ce des soumissions qui ont été demandées dans les journaux, cela?—R. Ah, je ne l'ai pas vu dans les journaux; je l'ai vu par une lettre qui nous a été envoyée. Je n'ai rien vu dans les journaux, je ne peux pas dire si ç'a paru dans les journaux.

Q. Comment savez-vous que des soumissions pour l'approvisionnement de l'*Arctic* ont été demandées à d'autres personnes que vous? C'est cela que je voudrais savoir?—R. Comment je sais cela?

Q. Oui—R. Ah, je ne me rappelle pas. J'ai su qu'ils en avaient demandé à M. Lavallée. Je ne me rappelle pas qui m'a dit cela. Autant que je puis me rappeler, il me semble qu'il en a été demandé à M. Lavallée, et à Montréal, et à Québec. Il en a été demandé partout, des soumissions, pour cela.

Q. Et vous prétendez que vous étiez les plus bas?—R. Oui, monsieur.

Q. Plus bas que M. Lavallée?—R. Nous devons être les plus bas, puisque nous l'avons eu.

Q. Vous avez eu, vous dites, sept piastres et quelque chose la tonne?—R. Pas sept piastres, six piastres et trente cents, mis à bord.

Q. Quelle était la valeur du charbon dans ce temps-là, prix du gros?—R. Ah, je ne me rappelle pas combien il valait dans le temps.

Q. De combien aviez-vous surchargé cette fois-là, sur l'affaire de l'*Arctic*?—R. On n'avait pas surchargé. On vendait le charbon aux particuliers six piastres et demie la tonne, et on l'a vendu au gouvernement six piastres et trente-cinq, et on avait à faire le "trimmage" à bord du bâtiment.

Q. Vous dites que le charbon coûtait aux particuliers six piastres et cinquante?—R. Oui.

Q. En gros, par cent tonnes?—R. Au détail.

Q. Ah, oui, mais je vous parle du prix du gros, au cent tonnes. Combien valait le charbon, en gros, à prendre cent tonnes à la fois?—R. Je ne me rappelle pas combien il valait, combien il nous coûtait dans le temps.

Q. Je voudrais savoir de vous le profit exact que vous avez fait sur l'approvisionnement de l'*Arctic*. Il est compris dans le public, le public croit que vous avez eu pour l'*Arctic* plus que vous n'avez eu pour les autres ventes de charbon?—R. Non, monsieur, on l'a vendu avec moins de profit qu'on en faisait sur les autres ventes; on l'a vendu à six piastres et trente-cinq, et le charbon qu'on leur vendait se détaillait à six piastres et demie.

Q. Maintenant, vous dites que vous avez chargé plus parce qu'il fallait mettre le charbon à bord du bâtiment?—R. Oui.

Q. L'*Arctic* était-il le long du quai?—R. L'*Arctic* était le long du quai.

Q. Alors, ce n'est pas plus difficile de décharger du charbon dans un bâtiment qui est le long du quai que de jeter le charbon sur le quai?—R. On se trouvait à avoir le "trimmage" à faire à bord du bâtiment. L'*Arctic* n'est pas un bâtiment dont les ouvertures pour le charbon sont dans le milieu; et à part de cela, les ouvertures sont toutes petites, justes pour entrer; et on était obligé, une fois que le charbon était déchargé dans le bâtiment, de prendre le charbon, à la brouettée, et de le brouetter d'un bout à l'autre du bâtiment.

Q. Est-ce que vous n'aviez pas qu'à l'envoyer dans des chutes?—R. Non, monsieur. On était obligé de le jeter dans les panneaux qu'il y avait à bord de l'*Arctic*, et ensuite, il fallait le reprendre, à la brouettée, et le "trimmer" d'un bout à l'autre du bâtiment.

Q. Pourquoi ne l'avez-vous pas mis à bord au moyen de chutes?—R. Il n'y avait pas moyen.

Q. Pourquoi?—R. Parce que entre les panneaux et le bout du bâtiment il y avait trop loin pour qu'on puisse l'envoyer là. S'il y avait eu moyen, je vous assure qu'on l'aurait fait.

Q. Combien avez-vous chargé d'extra pour cela?—R. Il n'y a pas eu d'extra, on leur a vendu six piastres et trente-cinq.

Q. Combien avez-vous ajouté à votre prix de six piastres et trente-cinq parce que vous ne pouviez pas le décharger par les chutes?—R. On n'a rien ajouté.

Q. Vous prétendez avoir fait ce travail-là pour rien?—R. Oui.

Q. Vous n'avez pas eu un sou pour cela?—R. Il y en a une certaine quantité, douze à treize tonnes que nous avons empoché; pour celui-là nous avons chargé l'embochage; mais pour le "trimmage" du charbon, cela était compris dans le prix auquel nous leur avons vendu le charbon.

Q. Maintenant, quels sont les officiers à Sorel avec lesquels vous avez eu affaire, vous ou M. Martin?—R. Je n'en vois pas. Pour le contrat de l'*Arctic*, nous n'avons eu affaire à personne; des soumissions ont été demandées, nous avons envoyé notre soumission, elle a été acceptée et nous avons mis notre charbon à bord. Je n'ai eu affaire à personne. Le colonel Gourdeau, je ne le connais pas.

Q. Pour les autres ventes, qui avez-vous vu dans ce temps-là?—R. On ne voit personne.

Q. A qui fournissez-vous du charbon pour rien à Sorel?—R. On ne fait pas de cadeaux; les employés qui achètent du charbon le payent; M. Desbarats prenait du charbon, il le payait.

Q. Combien ça vous coûte-t-il de tonnes de charbon pour les employés à Sorel?—R. Ça ne nous coûte rien.

Q. Vous ne livrez pas du charbon pour rien?—R. Non.

Q. A M. Roy, qui vous ordonnait si souvent du charbon, combien lui fournissiez-vous de charbon pour rien?—R. Rien du tout.

Q. M. Roy achetait-il son charbon chez vous?—R. Oui, monsieur.

Q. Combien de réduction lui faisiez-vous sur le prix de son charbon?—R. On ne lui faisait aucune réduction.

Q. Sérieusement?—R. Oui.

Q. Vous ne faisiez aucune réduction à un homme qui achetait chez vous pour trois ou quatre mille piastres par année?—R. Il n'achetait jamais pour trois mille piastres, M. Roy; le plus qu'il a acheté c'a été douze cent soixante-dix-neuf piastres (\$1,279).

Q. Dans une année?—R. Oui.

Q. Au prix du détail?—R. Au prix du détail, oui, parce qu'on ne livrait pas par grosses quantités; on était obligé de livrer cela par voyage, et en tout temps, le jour, la nuit, le dimanche. On ne peut pas vendre au prix du gros dans ces conditions-là.

Q. N'importe, vous avez vendu à M. Roy une année pour douze cent soixante-dix-neuf piastres (\$1,279) de charbon au prix du détail?—R. Oui, monsieur.

Q. Et il a acheté son charbon, pour son usage personnel, chez vous?—R. Oui, monsieur.

Q. Et jurez-vous qu'il vous a payé?—R. Il en a pris deux fois; la première fois, il nous a payés.

Q. En quelle année était-ce, cela?—R. Je ne me rappelle pas bien, je ne sais pas si c'est en dix-neuf cent trois ou dix neuf cent quatre.

Q. Et la dernière fois il ne vous a pas payé?—R. Il n'a pas payé, mais il a promis à M. Martin qu'il nous paierait à son prochain voyage.

Q. Quand est-ce que ce sera, son prochain voyage?—R. Je ne sais pas.

Q. Quand l'avez-vous vu la dernière fois pour ce compte-là?—R. Je ne peux pas dire au juste quand il est venu.

Q. A combien se monte le compte, le dernier compte, qui n'est pas payé?—R. Je crois que c'est une cinquantaine de piastres, si je me rappelle bien.

Q. Une cinquantaine de piastres qu'il a oublié de payer?—R. Qu'il n'a pas encore payées.

Q. Vous ne l'avez pas encore pressé pour cela, vous ne l'avez pas poursuivi, vous ne lui avez pas fait de misère?—R. On ne lui a pas fait de misère.

Q. Comme question de fait, vous n'y comptez pas, n'est-ce pas?—R. Ah, oui, on y compte.

Q. Vous espérez toujours?—R. Oui, monsieur.

Q. N'est-il pas vrai que vous lui avez donné ce charbon-là en récompense des bons services qu'il vous avait rendus?—R. Non, monsieur, on ne fait pas de cadeaux.

Q. Voyons, monsieur, n'est-il pas vrai que les employés du département à Sorel, ou quelques-uns d'entre eux s'approvisionnent de charbon chez vous gratuitement?—R. Non, monsieur.

Q. Que vous faites des charges dans votre ledger, mais que vous ne les collectez jamais?—R. Non, monsieur.

Q. Payez-vous des commissions?—R. Non, monsieur.

Q. Combien cela vous coûte-t-il pour vendre pour quatre à cinq mille piastres par année au gouvernement, comme vous le faites?—R. Ça ne nous coûte absolument rien.

Q. Personne ne vous a approché pour vous faire comprendre que ce serait juste que vous paieriez quelques piastres pour toutes ces faveurs-là?—R. Non, monsieur.

Q. Vous n'avez jamais entendu parler de cela?—R. Non, monsieur.

Et le déposant ne dit rien de plus.

PIERRE LAROCHELLE, charretier, de Sorel, âgé de quarante-sept ans, est maintenant assermenté et dépose comme suit:—

Par M. Perron:

Q. Monsieur Larochelle, quelle est votre occupation?—R. Charretier, monsieur.

Q. A Sorel?—R. Oui, monsieur.

Q. Avez-vous fait des affaires avec le département, vous aussi?—R. Oui, monsieur.

Q. Des grosses?—R. Entre les deux.

Q. Vous faites des bonnes affaires avec le département?—R. Entre les deux.

Q. Entre dix-neuf cent quatre, dix-neuf cent cinq (1904-05), quelles sont les affaires que vous avez faites avec le département?—R. Je ne me rappelle pas de cela. Je n'ai tenu aucun livre de cela. Ce sont eux qui tiennent les comptes.

Q. Vous ne tenez pas de livres du tout, vous?—R. Non.

Q. Qu'est-ce que vous faites pour le département?—R. On charrie des bouées, du ciment; j'ai charroyé de la neige, cinquante affaires.

Q. Vous travaillez à la journée?—R. Oui, monsieur.

Q. Avez-vous un contrat avec le département?—R. Non, monsieur.

Q. Toujours à la journée, ou à l'heure, ou comment?—R. A l'heure et à la journée.

Q. Pour votre travail, à l'heure et à la journée, votre compte se monte des fois à neuf cents piastres par année, mille piastres?—R. Je le pense bien.

Q. Combien avez-vous de chevaux?—R. Neuf.

Q. Et vous ne travaillez que pour le département?—R. Non, monsieur, on travaille pour d'autres aussi.

Q. Mais vous travaillez surtout pour le département?—R. A peu près la moitié du temps—pas tout à fait la moitié du temps.

Q. Vos neuf chevaux?—R. Des journées j'ai neuf chevaux, d'autres journées j'en ai deux, d'autres journées j'en ai un.

Q. Avez-vous une entente quelconque avec le département quant au prix à vous être payé?—R. Non, monsieur.

Q. Combien y a-t-il de charretiers de votre importance à Sorel, qui ont autant de chevaux que vous en avez?—R. Il n'y en a pas. Il y en a d'autres qui ont deux ou trois chevaux, trois ou quatre, mais il n'y en a pas qui ont autant de chevaux que moi.

Q. Vous êtes le charretier le plus important de Sorel, vous?—R. Oui, monsieur.

Q. Depuis combien d'années travaillez-vous pour le département?—R. Sept ou huit ans, huit ou neuf ans, je pense bien.

Q. Quand vous avez commencé à travailler pour le département, il a dû y avoir une entente entre vous et celui qui était en charge à Sorel?—R. Il n'y a jamais eu d'entente.

Q. Il n'a jamais été question de prix entre vous deux?—R. Le prix, c'était quatre piastres par jour pour une paire de chevaux, et deux piastres pour un cheval avec un homme.

Q. Cela, c'est l'entente qui a été faite en quelle année?—R. Il y a huit ou neuf ans de cela—je ne me rappelle pas de la date—huit ans, je pense, huit ou neuf ans.

Q. Avec qui avez-vous eu cette entente-là?—R. Moi, ç'a été M. Bruneau qui m'a donné cette place-là.

Q. Et avec qui avez-vous fait le marché?—R. C'était le prix qu'ils payaient avant.

Q. Je comprends cela, mais les prix qu'ils payaient avant, cela ne me satisfait pas?—R. C'étaient les prix qu'on avait à Sorel quand on travaillait pour n'importe qui; l'importe qui qui venait demander une paire de chevaux, c'était quatre piastres.

Q. Il y a huit ans?—R. Huit ou neuf ans.

Q. Avez-vous vu M. Desbarats à ce sujet-là?—R. Non, monsieur, je n'ai vu personne. Je leur ai chargé le prix que je chargeais aux autres.

Q. Vous dites que vous ne tenez pas de livres: Comment vous arrangez-vous?—R. Non, je ne tiens pas de livres. Quand on va travailler de l'autre côté, pour M. Desbarats, on sait le prix qu'ils payent, eux-autres, ils tiennent notre temps et ils nous payent ce prix-là.

Q. Vous ne me dites pas que vous ne tenez pas votre temps vous-même?—R. On ne tient; mais au bout du mois, quand on est payé, on ne garde pas cela, ce temps-là.

Q. Maintenant, vous avez toujours travaillé depuis ce temps-là? vous êtes le seul qui travaillez là?—R. Oui, monsieur.

Q. Il n'y a pas d'autre charretier à Sorel que vous?—R. Il y a un nommé Robiloux et un nommé Valois qui ont travaillé comme charretiers de l'autre côté, au gouvernement.

Q. C'est tout, cela?—R. Oui, monsieur.

Q. Encore actuellement, et en 1906-07, combien chargez-vous de l'heure?—R. Sur le pied de quatre piastres par jour.

Q. Pour deux chevaux et un homme?—R. Oui.

Q. Ecoutez donc, c'est plus cher que le tarif régulier, cela?—R. Non, monsieur.

Q. Quatre piastres par jour, pour deux chevaux et un homme?—R. Non, monsieur, c'est ce qu'on a n'importe où.

Q. Pour qui travaillez-vous, en dehors du département?—R. Je travaille pour la Compagnie Richelieu, je travaille pour M. Shepperd, qui a un moulin à scie; on travaille pour tout le monde, pour ceux qui ont à faire charroyer du charbon, du sable, l'importe quoi.

Q. Quand vous travaillez pour la Compagnie Richelieu, vous ne devez pas avoir quatre piastres par jour?—R. Le même prix que du gouvernement.

Q. Maintenant, quand les employés du département ont besoin d'un cheval, ils l'ont de vous, n'est-ce pas?—R. Personne, monsieur.

Q. Voyons, est-ce que vous ne fournissez pas gratuitement des chevaux aux employés du département?—R. Non, monsieur.

Q. Quand un employé du département a envie d'aller faire un tour, il n'a rien qu'à vous le dire, et vous le menez, sans le faire payer?—R. Non, monsieur, personne n'a de chevaux pour rien chez nous.

Q. Jurez-vous cela?—R. Je le jure.

Q. Jurez-vous que les employés du département à Sorel, ceux qui vous donnent de l'ouvrage, n'ont pas l'usage de vos chevaux pour rien?—R. Personne n'en a pour rien.

Q. Personne n'en a jamais eu pour rien?—R. Personne n'en a jamais eu pour rien.

Q. Mes informations sont que le dimanche, quand les employés du département, ceux qui vous font travailler, ont besoin de chevaux, ils en ont l'usage pour rien?—R. Personne du gouvernement n'a mes chevaux pour rien le dimanche, et ils ne sont jamais venus en demander non plus.

Q. Est-ce que vos employés ne vous ont pas demandé vos chevaux pour rien?—

R. Non; je jure que jamais un employé ne m'a demandé un cheval pour rien.

Et le déposant ne dit rien de plus.

7 octobre 1908.

A 10.40 de l'avant-midi, la Commission continue ses travaux.

OLIVIER DUPUIS, commerçant, de Sorel, âgé de cinquante ans, est assermenté et dépose comme suit:—

Par M. Perron:

Q. Vous dites que vous êtes commençant, monsieur Dupuis?—R. Oui, monsieur.

Q. A Sorel?—R. A Sorel.

Q. Quel genre de commerce faites-vous?—R. Le commerce de bois.

Q. Vous êtes commerçant de bois?—R. Oui, monsieur.

Q. Depuis plusieurs années?—R. Depuis huit ans.

Q. Est-ce un commerce de gros ou un commerce de détail que vous faites à Sorel?—R. C'est un commerce de détail en partie—gros et détail.

Q. Quel chiffre l'affaires faites-vous par année, à peu près?—R. Je fais à peu près pour une dizaine de mille piastres, des fois moins. C'est un commerce que je fais seul,—pas de gros commerce, pas de compagnie.

Q. Vous êtes seul dans ce commerce-là?—R. Oui, monsieur.

Q. Personne n'est associé avec vous?—R. Non, monsieur.

Q. En 1904-05, avez-vous vendu au gouvernement?—R. Oui, monsieur.

Q. Qu'est-ce que c'est que vous avez vendu?—R. J'ai vendu des pilotis, sur une soumission que j'avais eue d'Ottawa, directement d'Ottawa. Je pense que c'est dans les quatre cent ou quatre cent cinquante pilotis que j'avais eus.

Q. Vous avez reçu d'Ottawa une demande de fournir des pilotis?—R. Ils ont demandé des soumissions, monsieur.

Q. Des soumissions?—R. Oui, monsieur; j'ai envoyé une soumission et j'ai eu le contrat.

Q. Savez-vous si des soumissions avaient été demandées à d'autres que vous?—R. Ah, oui, à plusieurs.

Q. Quel montant avez-vous vendu cette année-là, en tout?—R. Le montant, en tout, ça averageait dix-neuf cents et trois quarts. Il y en avait de différents prix.

Q. Dix-neuf cents et trois quarts le pied?—R. Oui. Il y avait des longueurs de trente-cinq pieds, et il y avait un prix pour ceux-là, il y avait des longueurs de quarante-cinq pieds, de cinquante-cinq pieds, et il y avait un prix pour chacune de ces longueurs-là, et le tout ensemble donnait une moyenne de dix-neuf cents et trois quarts.

Q. Est-ce que vous ne vous trompez pas d'année, là?—R. C'est en quelle année, cela? dix neuf cent quatre?

Q. Je parle de 1904-05. Voyez-vous, le livre bleu, que j'ai par devers moi, constate qu'en 1904-05 vous avez vendu au département pour une somme de cinq mille trois cent vingt-neuf piastres et soixante-dix-sept cents (\$5,329.77) de bois?—R. Depuis dix-neuf cent quatre (1904) à venir à dix-neuf cent sept (1907), cela?

Q. Non, non, dans l'année dix-neuf cent quatre dix-neuf cent cinq (1904-05)?—R. Il peut y en avoir dans les deux départements; il y a la marine, de l'autre côté, et il y a ce que l'on appelle les quais, ce qui est encore pour le gouvernement.

Q. Non, non, le livre bleu, le livre de l'auditeur, le rapport...?—R. Pour les deux départements.

Q. Mais c'est dans le département de la Marine, cela?—R. Mais nous autres on fait une différence.

Q. Vous faites une différence entre les quais et les usines?—R. Oui, monsieur.

Q. Les usines qui sont de l'autre côté de la rivière?—R. Oui; mais ça revient au même.

Q. Je vois dans le rapport de l'auditeur les mots "Round pine"; est-ce cela que vous appelez les pilotis?—R. Il y a les pilotis et il y a le bois rond. J'ai vendu du bois rond pour scier, qu'ils scient ensuite pour faire du bois rond avec.

Q. Les pilotis que vous avez vendus, était-ce du pin?—R. Oui, monsieur, du pin.

Q. C'est du pin, cela?—R. Oui, monsieur.

Q. Vous n'avez pas vendu au ponce, vous avez vendu au mille?—R. Au pied pendant—le pin.

Q. Vingt-cinq piastres le mille—R. C'est du madrier, cela, de la planche. J'ai vendu du bois de sciage aussi, et c'est le bois de sciage qui est au mille.

Q. Sur cette somme de cinq mille trois cent vingt-neuf piastres et soixante-dix-sept cents (\$5,329.77) que vous avez vendue dans l'année 1904-05, vous n'aviez sous contrat que les pilotis?—R. Pardon, j'avais les pilotis et du bois de sciage, que j'ai vendu à part cela, dans les deux années.

Q. Mais je voudrais savoir quel est le montant que vous avez vendu pour lequel vous avez donné des soumissions?—R. Les pilotis, come je l'ai dit, ça monte dans les quatre cent à quatre cent cinquante pilotis.

Q. Et le reste des ventes, c'était sans soumission?—R. Sans soumission. Ensuite, pour les quais, ils font des demandes le printemps pour avoir du bois; on donne nos prix, là, et ils divisent cela au meilleur de leur connaissance; il y a des années qu'on n'a, d'autres années qu'on n'en a pas. Je me suis adonné à en avoir l'année dernière encore.

Q. Etes-vous certain que vous étiez le plus bas soumissionnaire lorsque le contrat vous a été accordé pour les pilotis?—R. Oui.

Q. Qu'est-ce que c'est qui vous rend si certain que cela que vous étiez le plus bas soumissionnaire?—R. Parce que j'ai appris que j'étais le plus bas. Généralement, à Ottawa, quand ils demandent des soumissions, ils ne prennent jamais la plus haute.

Q. Maintenant, le bois que vous avez vendu autrement que par soumission, à qui avez-vous vendu cela, qui vous a demandé ce bois-là?—R. On allait trouver M. Desbarats et on demandait à M. Desbarats s'il avait besoin de bois; et quand il en avait besoin, il demandait nos prix, on donnait nos prix; quelques jours après on y retournait et quand il en avait besoin on s'arrangeait de prix; si on était assez bas, on avait. C'est de cette manière-là qu'on avait le bois.

Q. Bien, oui, mais M. Desbarats n'était pas capable de découvrir si vous lui vendiez plus cher que les autres ne lui auraient vendu, puisqu'il ne demandait pas de soumissions?—R. Bien, il demandait des prix; c'est toujours une soumission. Quand il prenait un mois, un mois et demi pour acheter son bois—il s'informait.

Q. Quel prix chargez-vous au gouvernement? Est-ce le prix du gros ou le prix au détail?—R. Le prix du gros.

Q. Le prix du gros?—R. Le gros et le détail; eux autres, les montants qu'ils achetaient n'étaient pas assez forts, on était obligé de leur vendre le prix du détail.

Q. Au gouvernement?—R. Oui.

Q. Je vois, par exemple, cinquante-neuf mille pieds?—R. Oui.

Q. De pin?—R. Oui.

Q. De pin blanc? On ne leur vendait pas plus cher qu'on leur vendait en détail, ça doit être une vente de gros, cela?—R. Mais ils n'ont pas pris cela d'un coup, ils l'ont pas pris cela dans une semaine.

Q. Le rapport de l'auditeur général constate cinquante-neuf mille trois cent quatorze pieds: Est-ce que cela n'est pas un ordre qui vous a été donné de cinquante-neuf mille trois cent quatorze pieds?—R. D'un coup? Je ne pense pas, monsieur. J'ai dû vendre cela, certain, mais pas livré du même coup, pas acheté dans le même achat.

Q. Quelle différence y a-t-il entre le prix du gros et le prix du détail chez vous?—R. Il n'y en a pas.

Q. Il doit y avoir une différence entre le prix du gros et le prix du détail?—R. Non, monsieur. Vendre au gouvernement, on n'est pas capable de vendre un prix. . . . On vend toujours assez bas.

Q. Monsieur Dupuis, si je vais chez vous pour acheter pour dix piastres de bois, vous ne me le vendrez pas avec le même profit que si j'allais chez vous en acheter pour mille piastres?—R. Oui, monsieur; cela, c'est correct.

Q. C'est certain, n'est-ce pas?—R. Oui.

Q. Vous admettez bien cela?—R. Oui.

Q. Et le prix que vous me chargeriez, à moi, si j'en achetais pour dix piastres, c'est le prix du détail?—R. Oui.

Q. Et le prix que vous chargeriez à celui qui en achèterait pour mille piastres, ce serait le prix du gros?—R. Remarquez bien: dans le bois que j'ai vendu, si vous achetez un char de bois, et s'il vous faut tout du bois pareil, de dix pouces de large, ou de neuf pouces de large, de la première qualité, je ne peux pas vous vendre ce bois-là au prix que je vous vendrais le bois commun. Ce que l'on vend au gouvernement, on le leur vend au prix du détail; mais je n'appelle pas cela des ventes de gros, j'appelle cela des ventes de détail. Quand le gouvernement achète dix mille pieds de bois, ça n'est pas du gros, cela; cinq mille pieds de bois à la fois, ça n'est pas du gros. Ils sont venus chez nous acheter jusqu'à cinq cents pieds de bois.

Q. Ne parlons pas des ventes de cinq cents pieds de bois, mais lorsque vous vendez cinq mille ou dix mille pieds de bois, d'une seule fois, vous devez considérer cela comme une vente de gros?—R. Je le considère toujours comme une vente de gros—dix mille pieds à la fois, vingt mille pieds.

Q. Vous me dites maintenant que vous avez chargé les prix du détail sur ces ventes-là?—R. Le prix du détail? Pardon.

Q. C'est ce que vous avez dit?—R. Je me suis trompé là-dessus. S'ils n'avaient pris rien que cinq mille pieds, comme vous dites, ça n'aurait pas été le même prix. On leur vendait le prix général qu'on a l'habitude de vendre aux autres.

Q. Au détail?—R. Dans le gros—ce qu'on vendait aux autres comme au gouvernement.

Q. Quelle différence y avait-il chez vous entre le prix du détail et le prix du gros?—R. Une différence d'à peu près soixante et quinze cents à une piastre de plus par mille pieds.

Q. Ce que je veux savoir de vous c'est ceci: si cette piastre ou ces soixante et quinze cents de plus par mille pieds, vous l'avez chargé au gouvernement: c'est cela que je veux savoir?—R. Je ne l'ai pas chargé.

Q. Comment? Vous m'avez dit que vous avez vendu le prix du détail?—R. Pardon, je me suis trompé là-dessus. Je vous ai dit que ce que j'ai vendu au gouvernement, je ne l'ai pas vendu plus cher qu'aux autres.

Q. Aux autres qui achetaient au détail?—R. La même chose dans le gros, C'est cela que j'ai voulu dire, si je ne l'ai pas dit.

Q. Vous m'avez dit au détail?—R. Oui, c'est correct, je peux vous l'avoir dit, parce que, je vous assure, ils n'achetaient pas souvent en gros.

Q. Ils ont tort. Est-ce qu'ils ne pourraient pas acheter en gros? Est-ce qu'ils ne pourraient pas savoir d'avance le montant de bois dont ils vont avoir besoin pour l'été et l'acheter en gros?—R. Ils demandent les prix au printemps, on donne nos prix, et ensuite ils divisent cela.

Q. Maintenant, je vois qu'en 1905-06 vous avez encore vendu au gouvernement pour cinq mille deux cent quatre-vingt-onze piastres et soixante-quinze cents (\$5,291.75)?—R. C'en est une autre, cela.

Q. Cela, c'est pour l'année 1905-06. Tout à l'heure je vous ai parlé de 1904-05, maintenant je vous parle de 1905-06: Cinq mille deux cent quatre-vingt-onze piastres et soixante-quinze cents (\$5,291.75)?—R. C'est la même chose, cela.

Q. Non, non, c'est l'année suivante, cela. Vous ne pensiez pas avoir vendu tant que cela, hein?—R. . . .

Q. C'est l'année suivante que j'ai là?—R. Vous avez 1904-05?—R. C'est 1904-05 qu'on vient de passer; maintenant je prends 1905-06?—R. Bien.

Q. Et le rapport de l'auditeur général constate que vous avez vendu cette année-là pour cinq mille deux cent quatre-vingt-onze piastres et soixante-quinze cents (\$5,291.75)?—R. Oui. Pour les deux côtés, cela.

Q. Maintenant, vous m'avez dit tout à l'heure que le gouvernement donne un ordre à un, un ordre à un autre, qu'il divise les ordres: Combien le gouvernement perd-il en divisant les ordres, comme cela?—R. Je pense qu'il n'y perd rien, monsieur.

Q. Me dites-vous que si le gouvernement, au lieu de diviser les ordres entre tout vous autres, n'achetait que d'un seul, il ne paierait pas meilleur marché?—R. Bien, vous savez que le gouvernement, c'est à tout le monde; il faut partager de même.

Q. Paierait-il meilleur marché, suivant vous, s'il donnait un seul ordre au même commerçant?—R. Si c'était toujours le même qui vendrait, il vendrait comme il voudrait; tandis que nous sommes cinq ou six, et c'est à qui vendrait, et on baisse pour tâcher de vendre.

Q. Vous vous faites de la concurrence?—R. Cela, c'est toujours.

Q. Vous m'avez dit tout à l'heure que vous aviez vendu les pilotis à dix-neuf cents?—R. Oui, monsieur, le premier lot; ensuite il s'en est vendu dix-huit cents.

Q. Vous ne vous trompez pas, là?—R. Je vous ai dit dix-neuf cents et trois quarts.

Q. Je croyais que vous aviez dit dix-neuf cents, je vous demande pardon?—R. Dix-neuf cents et trois quarts, le premier lot.

Q. Et l'autre lot?—R. On en a vendu à dix-huit cents.

Q. Pour 1905-06, est-ce qu'on vous a demandé des soumissions ou bien si ça été vendu en détail, à votre clos?—R. Ça été demandé, cela, encore; ça été divisé, ça été divisé en cinq ou six.

Q. Ils vous ont fait des demandes de prix?—R. Ils ont fait des demandes de prix.

Q. A cinq ou six?—R. Oui, ça été divisé. Nous sommes cinq ou six qui avons fourni des pilotis dans le même temps.

Q. Est-ce qu'ils avaient tous les mêmes prix—savez-vous?—R. Tous les mêmes prix.

Q. Vous vous étiez entendus entre vous autres, je suppose, pour mettre les mêmes prix?—R. Pardon.

Q. C'est cela que vous avez fait?—R. Non, ça n'est pas arrivé de même; on a fait chacun notre prix et ils ont divisé cela, suivant le patronage. C'est ce que j'ai compris, moi.

Q. Ce n'est pas le plus bas qui a eu tout?—R. C'est le plus bas, mais ceux qui avaient mis plus haut ils ont été obligés de mettre au plus bas.

Q. C'est-à-dire que ceux qui avaient soumissionné plus haut que le plus bas ont été obligés de réduire leur prix?—R. Ça se peut.

Q. Je vois qu'en dix neuf cent six-dix-neuf cent sept (1906-07) vous avez encore pour trois mille neuf cent soixante piastres et trente-quatre cents (\$3,960.34)?—R. Oui, monsieur.

Q. De sorte que pendant les trois années que nous venons de repasser vous avez vendu au gouvernement pour vingt mille piastres?—R. Pardon, monsieur, il y a de l'erreur là-dedans—il faut qu'il y ait de l'erreur quelque part.

Q. Pour combien avez-vous vendu, suivant vous?—R. L'année dernière, je peux avoir vendu pour trois mille et quelques cents piastres.

Q. Près de quatre mille piastres, trois mille neuf cent soixante piastres,—quatre mille piastres moins quarante piastres?—R. C'est cela.

Q. Et l'année d'avant?—R. Cinq mille neuf cents piastres.

Q. Cinq mille neuf cents piastres?—R. Oui.

Q. Ça fait neuf mille piastres, cela?—R. C'est un peu fort, cela.

Q. Dans tous les cas, vous avez vendu pour au moins seize mille piastres pendant ce temps-là?—R. Depuis six ans?

Q. Depuis quatre ans?—R. Depuis dix-neuf cent quatre (1904)?—R. A peu près cela, oui.

Q. Bien quel profit avez-vous fait sur ces ventes-là?—R. Ça peut avoir donné un average de dix à douze pour cent.

Q. Net ou brut?—R. Ah, bien brut.... je mets cela.... peut-être bien un peu moins, mais je mets cela de dix à douze.

Q. Profit net?—R. Non, non, ce que ça me coûte; ensuite, il y a les dépenses.

Q. Vous prétendez que vous n'avez que dix à douze pour cent de marge entre le prix que vous avez payé et le prix que vous avez vendu au gouvernement?—R. Oui, monsieur.

Q. Combien ça vous a-t-il coûté pour cela?—R. Ça ne m'a rien coûté.

Q. La petite commission?—R. Non, monsieur, pas de commission.

Q. De temps en temps?—R. Pas du tout.

Q. Le petit bonus?—R. Du tout.

Q. Hein?—R. Non, monsieur.

Q. A personne?—R. Non, monsieur, à personne.

Q. Jamais?—R. Non, jamais.

Q. Vous avez dû, quand un employé du gouvernement avait besoin de planche, pour sa maison, pour son jardin, pour sa clôture, donner quelques petites planches de temps en temps?—R. Non, monsieur.

Q. Hein?—R. Non, monsieur. Ils ne me faisaient pas de bonus et je n'en faisais pas, je livrais pour l'argent qu'ils me payaient.

Q. Pendant la période de temps que je viens de passer, durant laquelle vous avez vendu au gouvernement pour seize mille piastres, avez-vous vendu du bois aux employés du gouvernement?—R. Oui, je me rappelle d'en avoir vendu à M. Roy.

Q. Pour combien?—R. Pour une douzaine de piastres, pour lui-même.

Q. C'est encore dans vos livres, cela, n'est-ce pas?—R. Non, monsieur. Je n'en tiens pas de livres.

Q. Si vous n'en tenez pas du tout, c'est encore mieux?—R. Je vais vous dire pour quoi: c'est parce que je suis seul, et chaque année je reçois du gouvernement les montants vendus et je mets cela tout ensemble; et du moment que c'est fini, c'est-à-dire que j'en ai envoyé pour un certain montant, je fais les comptes, je suis payé et je donne des reçus; et du moment que je suis payé je retire cela. Il n'y a personne qui tient mes livres. Ils prennent cela sur leurs comptes, à eux.

Q. De sorte que vous vous fiez au gouvernement pour les quantités?—R. Je me fie à moi aussi; je mesure le bois et je le livre, et du moment que le bois est livré ils me donnent un reçu pour la quantité de bois que je leur ai livré.

Q. Maintenant, le compte de M. Roy n'est pas payé encore, n'est-ce pas?—R. Oui, monsieur, il est payé.

Q. Il vous a payé?—R. Oui, monsieur.

Q. Quand cela?—R. Il m'a payé il y a deux ans. C'est un lot de bois qu'il avait acheté pour lui-même, pour sa maison privée.

Q. Vous auriez bien pu lui donner cela—un employé qui vous donnait tant de patronage?—R. Je ne suis pas obligé de payer pour faire vendre du bois, monsieur, pas du tout.

Q. M. Roy est-il le seul employé du département à qui vous avez vendu du bois?—R. Oui, monsieur.

Q. Du bois ou autre chose?—R. Rien autre chose.

Q. A aucun des employés du département?—R. Non, monsieur.

Q. Est-ce que quelqu'un des employés est allé vous trouver pour vous demander une petite commission, de temps en temps?—R. Non, monsieur.

Q. Une petite faveur?—R. Pas du tout.

Q. Un petit endossement de billet pour avoir de l'escompte à la banque?—R. Non, monsieur.

Q. Aucun des employés?—R. Aucun.

Q. Vous n'avez pas endossé des billets pour quelqu'un?—R. Non, monsieur.

Q. Pour quelque employé?—R. Non, monsieur.

Q. Pour personne?—R. Non, monsieur.

Q. Jamais un sou?—R. Jamais.

Q. A qui que ce soit?—R. A qui que ce soit.

Q. En dehors de M. Desbarats, quels sont les employés de Sorel que vous connaissez, avec lesquels vous faites des transactions, vous faites des affaires?—R. Les affaires que l'on fait à Sorel, c'est avec M. Desbarats.

Q. Vous n'avez d'affaires avec personne autre?—R. Il y a M. Desbarats, ensuite il y a eu M. Roy, et il y a M. Bazinet aujourd'hui. Ce sont les trois hommes avec qui on fait des affaires. Avec les autres employés il n'y a pas d'affaires à faire, c'est seulement avec la tête.

Q. Et vous jurez que, ni directement, ni indirectement, ou d'aucune façon quelconque, vous n'avez jamais donné un sou à qui que ce soit?—R. Non, monsieur, je jure que je n'ai jamais donné un sou à qui que ce soit.

Et le déposant ne dit rien de plus.

JEAN-BAPTISTE AUSSANT, commerçant de bois, et cultivateur, de Saint-Joseph de Sorel, âgé de quarante-sept ans, est assermenté et dépose comme suit:—

Par M. Perron:

Q. Monsieur Aussant, vous dites que vous êtes commerçant?—R. Commerçant et cultivateur.

Q. Et cultivateur?—R. Oui.

Q. Commerçant de quoi?—R. De bois rond—c'est-à-dire commerçant de bois.

Q. Est-ce un grand clos de bois que vous tenez là?—R. Non, monsieur, je vends seulement du bois rond. Je peux avoir vendu à peu près de vingt à trente mille pieds de bois de sciage, c'est tout; je m'occupe seulement de bois rond.

Q. Que vous achetez où?—R. Sur mes propriétés.

Q. C'est du bois rond que vous prenez sur vos propres terres?—R. Oui, monsieur. C'est-à-dire que j'achète des fois des limites à bois.

Q. Vous achetez des limites à bois?—R. Oui, monsieur.

Q. Y a-t-il longtemps que vous êtes dans le commerce de bois comme cela?—R. Au meilleur de ma connaissance.... il y a bien longtemps.... je ne peux pas dire au juste.... quinze ou vingt ans.... je ne peux pas jurer au juste.... au moins quinze ans, toujours.

Q. Vous avez fait des affaires avec le département de la Marine et des Pêcheries, vous aussi?—R. Oui, monsieur.

Q. Pour un montant considérable?—R. Oui, monsieur.

Q. Pour quel montant pendant les années 1904-05, 1905-06 et 1906-07?—R. Je ne me rappelle pas, monsieur. D'abord, je n'ai pas d'instruction, et je n'ai pas de comptes.

Q. Vous ne tenez pas de livres?—R. Non, monsieur. Je jure que je n'ai pas d'employé.

Q. Vous n'avez pas d'employé et vous ne tenez pas de livres?—R. C'est-à-dire que j'ai des employés à la journée, mais je n'ai pas de commis; je ne tiens pas de livres.

Q. Qui tient vos livres?—R. Personne.

Q. Comment vous arrangez-vous alors dans vos transactions, avec le département ou avec d'autres personnes?—R. Je sais chiffrer, et je sais combien j'ai de pieds de bois; alors je le fais calculer par un étranger et j'envoie mon compte.

Q. Vous faites calculer par un étranger la quantité que vous avez livrée?—R. Oui, monsieur.

Q. Vous envoyez vos comptes, et ça finit là?—R. Sans doute, je demande ce qui m'est dû.

Q. Est-ce que vous ne vendez qu'au département de la Marine?—R. Non, monsieur, je vends à d'autres.

Q. A qui vendez-vous, en dehors du département de la Marine?—R. Je ne me rappelle pas. Je ne suis pas obligé de les nommer ceux à qui je vends en dehors du département de la Marine.

Q. Faites-vous des affaires considérables?—R.

Q. Pour combien par année vendez-vous de bois rond comme cela, à peu près?—R. Je ne suis pas capable de le dire environ. Je vous dis que je ne suis pas instruit; alors, je ne suis pas capable.

Q. Du moment que vous êtes payé, c'est le principal, vous ne vous occupez pas du reste?—R. Comme je vous dis, je ne suis pas instruit, et du moment que je suis payé je ne m'en occupe plus.

Q. Avez-vous vendu pour trente mille piastres de bois au département de la Marine?—R. Depuis quelle année?

Q. Depuis dix-neuf cent quatre?—R. Je ne m'en rappelle pas.

Q. Vous n'en avez pas d'idée du tout?—R. Non, pas du tout.

Q. Vous ne vous rappelez pas du tout pour combien vous avez vendu?—R. Non, monsieur.

Q. Je vois par le rapport de l'auditeur général que dans l'année 1904-05 vous avez vendu pour deux mille huit cent soixante et dix-neuf piastres et soixante et six cents (\$2,879.66)?—R. C'est correct.

Q. Comment êtes-vous arrivé à vendre ce bois-là?—R. Parce que je le vendais bon marché.

Q. Parce que vous vendiez à bon marché?—R. Oui, monsieur. Et même, j'ai vendu....

Q. Qu'est-ce que c'est que vous aviez commencé à dire.... "même j'ai vendu...."?—R. Par soumissions.

Q. Par soumissions?—R. Oui. Si j'ai été favorisé c'est parce que je vendais meilleur marché que d'autres commerçants de bois.

Q. Qui vous a demandé des soumissions? Quel est l'employé qui vous a demandé des soumissions?—R. M. Bazinet.

Q. Vous dites que vous savez que des soumissions ont été demandées....?—R. Non, pardon, c'a été vendu en dehors des soumissions. Je vendais tellement bon marché que d'autres commerçants ne pouvaient pas arriver avec les soumissions; les autres commerçants ne pouvaient pas arriver au prix que je vendais.

Q. C'est-à-dire beaucoup, ce que vous dites-là: que vous vendiez tellement bon marché....?—R. Au meilleur de ma connaissance.

Q.que les autres commerçants de bois n'étaient pas capables d'arriver, même par soumissions.

Q. Qu'est-ce qui vous fait dire cela?—R. C'est que je connais le bois et je sais que j'ai vendu bon marché.

Q. Avez-vous eu connaissance de ventes faites par d'autres commerçants que vous?—R. Oui, monsieur.

Q. Du même bois que le vôtre?—R. Oui, monsieur, et qu'ils vendaient plus cher que moi.

Q. Qu'ils vendaient plus cher que vous?—R. Oui.

Q. Au département?—R. Non, ailleurs.

Q. Êtes-vous capable de m'en mentionner quelques-uns de ces commerçants-là qui vendaient plus cher que vous, alors que vous vendiez, vous, au département?—R. Non, non, je ne suis pas capable, je ne me rappelle pas.

Q. Vous ne vous rappelez pas?—R. Non.

Q. Avez-vous la réputation de vendre comme cela à bien bon marché?—R. Oui, monsieur.

Q. Comment se fait-il que vous arriviez à vendre à si bon marché que cela, à meilleur marché que n'importe qui?—R. C'est parce que je prends mon bois sur mes terres à bois à moi.

Q. Etiez-vous en cour lorsque M. Dupuis a rendu son témoignage?—R. Non, monsieur. C'est-à-dire je suis arrivé il achevait de rendre son témoignage.

Q. Vous l'avez entendu dire qu'il avait vendu son bois rond, lui, à dix-neuf cents et trois quarts?—R. Il y a différentes sortes de bois, monsieur, différentes dimensions; j'en ai vendu à cinq cents du pied, j'en ai vendu à dix cents, à douze cents, j'en ai vendu à seize cents, j'en ai vendu même à vingt-huit cents, différentes qualités de bois.

Q. Vous avez entendu M. Dupuis décrire la qualité de bois qu'il avait vendu?—R. Non, monsieur.

Q. Vous n'étiez pas ici lorsqu'il a décrit cette qualité-là?—R. Non, monsieur.

Q. Vous avez vendu plus cher que dix-neuf cents et trois quarts, vous?—R. Au pied cube; j'ai vendu plus cher au pied cube. Cela, c'est le gros bois. J'ai vendu vingt-huit cents, moi. Regardez dans vos livres, vous allez le trouver.

Q. Vingt-huit cents?—R. Oui, au pied cube.

Q. Cela fait une grande différence avec le prix de M. Dupuis, dix-neuf cents et trois quarts?—R. Peut-être qu'il n'a pas vendu de celui-là. J'en ai vendu à quinze cents, à dix cents; même j'en ai vendu à cinq cents le pied. Il y a différentes qualités de bois.

Q. C'est du pin blanc que vous vendez?—R. Toutes sortes.

Q. Surtout du pin blanc?—R. Du pin blanc, du pin rouge, de l'épinette, de la pruche, du cèdre, toutes les qualités.

Q. Je vois que vous avez vendu du pin à vingt-huit piastres et à trente piastres. Est-ce du pin blanc, cela?—R. Cela, c'est au mille pieds.

Q. Vingt-huit piastres le mille pieds?—R. Pardon, ça doit être au pied cube.

Q. Non?—R. Oui, c'est vrai, vous avez raison.

Q. Treize mille pieds de pin blanc, à vingt-huit piastres?—R. Oui.

Q. Etiez-vous présent en cour hier lorsque M. Beauchemin a dit que le pin blanc se vendait à vingt-sept piastres?—R. Non, monsieur, je n'étais pas en cour hier; j'ai manqué mon train hier. Ça ne peut pas être dans le même temps, M. Beauchemin, c'est un peu avant moi, et ça varie suivant les années.

Q. Quelle différence y avait-il dans le prix?—R. Il y a différentes qualités de pin blanc, il y a la première qualité, la seconde et la troisième; il y a toutes sortes de qualités de bois; il y a du bois qui se vend quarante piastres le mille d'autre qui vaut trente piastres, d'autres vingt-huit piastres; il y a plusieurs qualités.

Q. Je comprends cela; seulement, quelle différence faisiez-vous dans les prix entre les ventes que vous faisiez au département de la Marine à Sorel et les ventes que vous faisiez aux individus à qui vous vendiez dans le même temps, à des particuliers qui achetaient de vous du même bois?—R. Le même prix, monsieur.

Q. Le même prix?—R. Oui.

Q. Bien, oui; mais, monsieur Aussant, avez-vous deux prix dans votre place, chez vous?—R. Non, monsieur.

Q. Un pour le gros et un pour le détail?—R. Je vous ai dit que je commerce seulement sur le bois rond. Vous m'avez fait remarquer tout à l'heure que j'ai vendu à peu près vingt à vingt-cinq mille pieds de bois de sciage; mais je ne m'occupe généralement que du bois rond seulement.

Q. Vous avez vendu au département, pendant les trois années dont je viens de vous parler, pour au delà de douze mille piastres de bois?—R. Oui. Quant à la dimension, je ne m'en rappelle pas. Je sais qu'ils ont fait avec le bois rond que je leur ai vendu du bois de sciage; mais moi, je ne l'ai pas vendu en bois de sciage. Le bois est au pied courant ou au pied cube; mais j'en ai vendu au mille pieds; j'en ai vendu, au meilleur de ma connaissance, trente, quarante ou cinquante mille pieds—je ne me rappelle pas—au meilleur de ma connaissance.

Q. Dans tous les cas, vous avez vendu pour au delà de douze mille piastres?—R. Oui.

Q. Le département, c'est un bon client pour vous?—R. Oui.

Q. Ce doit être un client de gros, cela?—R. C'est parce que je leur vends à bon marché. S'ils m'encouragent, c'est parce que je vends à meilleur marché que d'autres.

Q. Oui, je comprends; vous nous avez dit cela déjà; mais je voudrais bien savoir quelle différence vous faites entre le département, qui achète de vous pour environ trois ou quatre mille piastres de bois par année, et un individu qui va chez vous en acheter pour cinquante piastres?—R. Je ne fais aucune différence; j'aime autant vendre à un individu que vendre au département. Quand on vend au gouvernement, on est sûr de la paye. Un individu que je ne connais pas, quand je ne suis pas certain de la paye, je ne lui vends pas. Mais je vends aussi bien à un individu qu'au département.

Q. À aussi bon marché?—R. Oui.

Q. A un homme qui achète pour cinq piastres, vous ne chargez pas plus cher qu'à un autre qui achète pour cinq mille piastres?—R. Non, monsieur.

Q. Pourquoi cela?—R. Parce que j'ai un prix établi.

Q. Vous n'avez qu'un seul prix?—R. Je n'ai qu'un seul prix.

Q. Que l'on achète chez vous pour un millon ou que l'on achète pour une piastre, c'est toujours le même prix?—R. Toujours la même chose.

Q. Mais les marchands de gros à Montréal, les gros marchands de bois, qui vendent le même bois rond que vous vendez vous-même, ils doivent vendre au gros à meilleur marché que vous ne vendez?—R. C'est chose que je ne connais pas.

Q. Ce n'est pas votre impression qu'ils doivent vendre à meilleur marché que vous ne vendez, vous?—R. Je ne comprends pas leurs affaires.

Q. Vous devez connaître le prix du bois un peu partout?—R. Je vous dis que je ne connais pas l'affaire des marchands de bois d'ici, de Montréal.

Q. Avec quels employés du département avez-vous fait affaires, vous?—R. J'ai fait affaires seulement avec M. Desbarats et M. Bazinet.

Q. M. Desbarats et M. Bazinet?—R. Oui.

Q. Avez-vous, dans le temps où vous vendiez au département, vendu du bois soit à M. Desbarats, soit à M. Bazinet, soit à aucun autre employé du département, à Sorel ou ailleurs?—R. J'ai connu seulement M. Desbarats et M. Bazinet, je n'en ai pas connu d'autre.

Q. Ni avec M. Boucher, ni avec M. Roy, ni avec d'autres, vous n'avez jamais fait d'affaires avec d'autres que M. Desbarats et M. Bazinet?—R. Je n'ai jamais fait affaires avec d'autres qu'eux autres.

Q. Jamais?—R. Jamais, monsieur.

Q. Qu'est-ce que ça vous coûte par année pour vendre au département?—R. Pas une cent.

Q. Ça ne vous coûte rien?—R. Comment? Qu'est-ce que vous voulez dire par là?

Q. Vous devez être large un peu avec les employés?—R. Non, monsieur. Je n'ai eu affaire qu'à M. Desbarats et vous le connaissez, c'est un gentil garçon; je n'ai eu affaire seulement qu'à M. Desbarats et à M. Bazinet, je n'ai pas eu affaires à d'autres qu'à eux.

Q. Voulez-vous dire que les autres ne sont pas gentils?—R. Ah, pardon, mais c'est que je n'ai pas eu affaire à d'autres. Je ne dis pas que d'autres ne sont pas gentils, mais je sais que M. Desbarats est un gentil garçon.

Q. Vous semblez faire une différence entre M. Desbarats et les autres....?—R. Aucune différence.

Q. Voulez-vous dire pourquoi?—R. Il n'y a pas de différence. Je vous dis que j'ai fait affaires avec M. Desbarats et M. Bazinet, et ce sont les seuls hommes à qui j'ai eu affaires.

Q. Vous avez fait une remarque que je voudrais bien que vous expliqueriez?—R. Je n'ai pas d'explications à donner.

Q. Vous avez dit: "Je n'ai fait affaires rien qu'avec M. Desbarats et vous savez que, lui, c'est un gentil garçon"?—R. C'est parce que dans le département de la Marine—puisque vous voulez le savoir, je vais vous le dire—il y a M. Roy et M. Boucher, mais je ne les ai jamais connus.

Q. Pourquoi avoir fait cette remarque-là? Avez-vous quelque raison?—R. Je n'ai aucune raison.

Q. Avez-vous quelque raison de soupçonner...?—R. Aucune.

Q.que M. Roy et M. Boucher, que vous venez de mentionner, n'étaient pas des gentils garçons?—R. Ce sont des gentils garçons, mais je n'ai pas eu affaire à eux autres.

Q. Si vous avez quelque raison, je voudrais bien que vous les donniez?—R. Aucune raison; je vous dis simplement que je n'ai eu affaire qu'à M. Desbarats et M. Bazinet.

Q. Avez-vous entendu quelqu'un mentionner que les autres employés à Sorel, en dehors de M. Desbarats, n'étaient pas ce qu'ils devraient être, au point de vue de l'honnêteté ou autrement?—R. Jamais, monsieur, je n'en ai jamais entendu parler.

Q. Vous n'avez jamais entendu personne mentionner cela?—R. Non, monsieur.

Q. En aucune façon?—R. Non, monsieur.

Q. Avez-vous eu connaissance, vous, de la construction des piliers sur le lac Saint-Pierre?—R. Non, monsieur.

Q. Pas du tout?—R. Je ne connais pas l'histoire, je n'ai jamais été sur le lac Saint-Pierre.

Q. Vous n'avez jamais été sur le lac Saint-Pierre?—R. C'est-à-dire, j'y ai passé, mais je ne connais rien au sujet de ces piliers-là.

Q. Vous n'êtes pas loin, pourtant?—R. Je ne sors pas, je vais seulement que dans le bois.

Q. Ce bois que vous vendez au département, le vendez-vous livrable au quai à Sorel?—R. Livré au chantier.

Q. Recevez-vous un excédent pour livrer ce bois-là?—R. Non, monsieur.

Q. Est-ce qu'on ne vous a pas payé déjà du fret, ou de l'argent pour des frais de transport, pour ce bois-là?—R. Non, monsieur. Je payais le fret de ma poche. Quand il y avait du fret à payer, c'est moi qui payais les bateaux pour le transport; jamais le département ne m'a fourni un bateau même pour le transporter; je les ai payés de ma poche.

Q. Est-ce qu'on ne vous a pas transporté du bois par bateau?—R. Non, monsieur.

Q. Aux dépens du département?—R. Non, monsieur.

Q. Lorsque c'est vous qui auriez dû payer pour ce transport-là?—R. Non, monsieur.

Q. Jamais, vous jurez cela?—R. Ecoutez: c'est-à-dire, j'ai vendu à M. Bazinet....

Q. Comprenez bien ma question?—R. Je devais livrer à M. Bazinet, au bord de l'eau, une barge. Livrer au bord de l'eau. C'était aussi bien comme si c'était livré à Sorel. Le bois était livré à l'eau. On le livre sur le fleuve, voyez-vous.

Q. Je ne comprends pas beaucoup votre explication?—R. Je vous la donne au meilleur de ma connaissance.

Q. Je ne vous dis pas que non; seulement, mes informations sont ceci: On me dit que le département a payé pour le fret?—R. Jamais.

Q. Pour le fret du bois...?—R. Non, monsieur.

Q.pour lequel vous deviez payer vous-même?—R. Non, monsieur, jamais; ils n'ont jamais donné un centin pour le fret.

Q. Qu'au lieu de livrer le bois au chantier, à Sorel...?—R. Je l'ai livré suivant les marchés que je faisais, soit au chantier ou à une barge. Jamais le département ne m'a fourni un "tug" pour transporter le bois, ou un centin pour le faire transporter.

Q. Est-ce que les contrats que vous faites avec le département ne sont pas à l'effet que vous devez livrer le bois sur les chantiers?—R. Oui, monsieur. Cela, ça dépend....

Q. Pardon. Est-ce que tous les contrats que vous avez faits avec le département n'étaient pas à l'effet que vous deviez livrer le bois sur le chantier?—R. Je l'ai livré suivant les contrats, je l'ai livré au chantier. Même, je ne me suis jamais servi des bateaux du département, je me suis servi de bateaux étrangers.

Q. N'est-il pas vrai qu'au lieu de livrer du bois au chantier, tel que votre contrat vous y obligeait, vous l'avez livré sur le bord de la grève?—R. Non, monsieur.

Q. Ou sur des barges; sur le bord de la grève ou sur des barges; mais, dans tous les cas, près de chez vous; et que c'est le département qui a payé pour faire transporter ce bois-là où vous l'aviez laissé, près de chez vous, au chantier?—R. C'est-à-dire, pour la marine, pour M. Bazinet, ils étaient aussi bien de charger....

Q. Expliquez-vous ce qui est arrivé?—R. Ce n'était pas à main—des bateaux chargés sur la rivière Chambly—et c'était la même chose pour moi, j'aimais autant le livrer là. Je l'ai livré à l'eau, là où il devait être.

Q. Entendons-nous. Vous deviez livrer le bois au chantier?—R. Non, non; c'est une autre affaire, cela.

Q. Vous parlez de deux ou trois affaires à la fois; il faut s'entendre et savoir de quelle affaire nous parlons?—R. Je l'ai livré là où je devais le livrer, c'est bien simple.

Q. Oui, je comprends que vous me dites cela; mais l'endroit où vous deviez le livrer c'était au chantier, n'est-ce pas?—R. Il y a deux départements; il y a la Marine.... c'est-à-dire il y a M. Desbarats et M. Bazinet. Cela, c'était pour le lac Saint-Pierre. Je n'en ai vendu là rien qu'en dix neuf cent sept. C'était la même chose pour moi, mais, eux autres, ils préféraient le prendre là. Et c'était la même chose; il était à l'eau. C'était la même chose, ce n'était pas plus dispendieux.

Q. C'est-à-dire qu'au lieu de vous le faire livrer au chantier....?—R. Il était à l'eau: c'était la même chose pour moi.

Q. Vous auriez toujours été obligé de le rendre au chantier?—R. C'était une affaire de rien—c'était la même chose.

Q. Combien avez-vous sauvé par cela?—R. Rien, pas un sou.... à peu près cinquante cents.

Q. Cinquante cents du mille?—R. Cinquante cents en tout.

Q. Eh non?—R. Bien, je vous le jure, cinquante cents.

Q. Quelle distance y avait-il de l'endroit où vous avez livré le bois pour se rendre au chantier?—R. Un mille.

Q. Combien y avait-il de pieds de bois?—R. C'étaient des pilotis; je pense qu'il y en avait une cinquantaine. Un petit garçon pouvait mener cela; une affaire de cinquante cents.

Q. On n'a dit que c'était bien plus que cela?—R. Ah, bien, cinquante cents, ça ne coûte pas plus que cela.

Q. Ça ne vaut pas plus que cinquante cents, vous jurez cela?—R. Oui.

Q. Vous jurez que pour cinquante cents vous auriez pu faire mener ce bois-là où vous deviez le livrer?—R. Je le jure.

Q. C'est M. Bazinet qui vous a demandé de le livrer là?—R. Oui, monsieur.

Q. Parce que, disait-il, ça faisait mieux son affaire de l'avoir là?—R. Voyez-vous, il y a plusieurs bateaux vis-à-vis la ville....

Q. Ecoutez, monsieur Aussant, vous ne nous avez pas encore dit exactement ce qui s'est passé. Je puis vous dire que l'on prétend que dans cette occasion-là, au lieu de vous faire livrer le bois où vous deviez le livrer, on vous l'a laissé livrer ailleurs?—R. Je l'ai livré là où je devais le livrer. C'était entendu que la barge viendrait chercher le bois là. Vous m'avez demandé combien g'aurait coûté pour faire transporter le bois de l'endroit où je l'ai livré au chantier, et je vous ai dit que g'aurait coûté cinquante cents; mais je l'ai livré là où je devais le livrer.

Q. Ce n'est pas clair ce que vous dites là. Expliquez-vous; dites donc exactement ce qui s'est passé entre vous et M. Bazinet. C'est cela que je voudrais savoir?—R. Je vous dis que j'ai vendu.... je ne me rappelle pas exactement combien.... cent cinquante pilotis, je crois, et je devais les livrer au bord de l'eau.

Q. Nous allons tâcher de nous entendre. Vous dites que vous avez vendu cent cinquante pilotis à M. Bazinet pour le département?—R. Cent cinquante, au meilleur de ma connaissance. Ça peut être plus ou moins, je ne me rappelle pas au juste—livrables au bord de l'eau.

Q. Est-ce que ça ne devait pas être livré au chantier, cela?—R. Non. Ce n'était pas la même chose que le chantier; c'était pour le lac Saint-Pierre, cela. Ce n'était pas pour M. Desbarats, cela.

Q. Je comprends que ce n'était pas pour M. Desbarats, mais ce n'est pas là la question. Mes informations, monsieur Aussant,—si vous voulez m'écouter et me dire si c'est exact ou non—mes informations sont qu'au lieu de vous faire livrer le bois où vous étiez obligé de le livrer, M. Bazinet vous a fait du bon en vous le laissant livrer ailleurs?—R. Il ne m'a fait aucune bonté.

Q. Ce sont là mes informations?—R. Il ne m'a pas fait de bonté, j'ai livré le bois à où je devais le livrer. Je vous ai dit que pour descendre à Sorel ça aurait coûté cinquante cents, mais ça aurait été plus malcommode pour eux autres de le descendre à Sorel, ils auraient eu plus de misère à le débarquer, et ils aimaient mieux l'avoir là où je l'ai laissé.

Q. Jurez-vous que c'est M. Bazinet qui vous a demandé de livrer le bois là plutôt que de le livrer à Sorel?—R. C'était la même chose. Le marché était de le prendre à l'eau, livré à bord de la barge *Acétylène*.

Q. Voyez-vous, monsieur Aussant, vous n'avez pas répondu à ma question. Ce que je veux savoir de vous, c'est ceci: Jurez-vous que c'est M. Bazinet qui vous a demandé de livrer ces pilotis là où vous les avez livrés?—R. Dans tous les cas, je les ai livrés là où je devais les livrer. Et dans tous les cas, quant au transport, quand même ça aurait été à Sorel, je vous dis que c'était une affaire de cinquante cents, pour tout le lot.

Q. Vous avez demandé une faveur cette fois-là?—R. Je n'ai pas demandé de faveur, jamais—jamais, monsieur,—et il ne m'en aurait pas donné de faveur.

Q. Il vous en a fait une?—R. Jamais.

Q. En vous le laissant livrer là au lieu de vous le faire livrer à Sorel?—R. C'était la même chose pour moi, j'aimais autant le livrer à Sorel, et même mieux.

Q. Comme cela, quand quelqu'un me dit que M. Bazinet vous a fait des faveurs....?—R. Il ne m'en a pas fait.

Q.en vous permettant de livrer le bois à un autre endroit que celui où vous deviez le livrer, vous prétendez que ce n'est pas le cas?—R. Il ne m'a fait aucune faveur. C'était la même chose pour moi, le livrer à Sorel ou à un mille en haut.

Q. Combien avez-vous donné, à quelqu'un, pour ne pas être obligé de rendre le bois à Sorel, monsieur Aussant?—R. Pas un sou.

Q. A n'importe qui?—R. Pas un centin.

Q. Avez-vous donné du bois, pour ne pas être obligé de livrer votre bois à Sorel?—R. Non, monsieur.

Q. Vous jurez que vous n'avez rien donné, à qui que ce soit?—R. Oui, je le jure.

Q. Quoi que ce soit,—je ne parle pas rien que de l'argent, je parle de quoi que ce soit,—pour ne pas être obligé de transporter votre bois à Sorel?—R. Je jure que je n'ai jamais donné un centin, ni un morceau de bois, à qui que ce soit.

Q. Ni autre chose?—R. Ni autre chose.

Q. Vache, ou quelque chose comme cela?—R. Il y a toujours une "émite".

Q. Je vous le demande?—R. Je vous dis que non, que je jure que je n'ai jamais donné un centin. En avez-vous assez de cela? Une vache, c'est plus qu'un centin.

Et le déposant ne dit rien de plus.

PIERRE CYRILLE LEMOINE, marchand, de Sorel, âgé de cinquante-deux ans. est assermenté et dépose comme suit:—

Par M. Perron:

Q. Monsieur Lemoine, vous dites que vous êtes marchand?—R. Oui, monsieur.

Q. A Sorel?—R. Oui, monsieur.

Q. Marchand de quoi?—R. Epiceries, liqueurs, ferronneries, provisions.

Q. Liqueurs, ferronneries, provisions?—R. Oui.

Q. Depuis combien d'années êtes-vous dans le commerce à Sorel?—R. Trente ans.

Q. Pour quel montant avez-vous vendu au département de la Marine et des pêcheries pendant les trois années 1904-05, 1905-06 et 1906-07?—R. J'ai pris des notes là-dessus hier soir seulement. Je n'ai pas pris tous ces montants-là. J'ai 1906, 1907 et 1908. C'est à peu près la même chose tous les ans.

Q. Environ trois mille piastres pendant ces trois années-là?—R. Pas autant que cela, je ne crois pas. Ça varie; cette année va être moindre que l'année dernière.

Q. Vous n'avez pas apporté vos livres?—R. Non.

Q. Pourquoi donc, monsieur Lemoine?—R. Je ne vois pas que ce soit nécessaire. Je puis vous dire ce que j'ai vendu.

Q. Prenons d'abord l'année 1904-05?—R. C'est du détail qu'ils ont acheté chez moi, vous savez.

Q. C'est du détail qu'ils ont acheté chez vous?—R. C'est du détail.

Q. Qui achetait chez vous, généralement? C'est cela que je voudrais savoir?—R. Par un ordre du bureau, ils envoyaient un ordre au magasin.

Q. Je comprends cela, qu'il y avait un ordre?—R. C'est M. Desbarats ou M.... c'est en partie M. Desbarats qui envoyait les ordres.

Q. C'est un magasin de détail, strictement de détail que vous tenez, n'est-ce pas, monsieur Lemoine?—R. On vend du gros un peu, mais au gouvernement on n'a pas vendu grand'chose en gros.

Q. Au gouvernement vous n'avez pas vendu en gros?—R. Des fois, quelques douzaines de balais; et j'ai vendu, une année, de l'avoine aussi, une couple de cent minots d'avoine.

Q. De l'avoine?—R. Oui, monsieur. Ils ont des chevaux.

Q. Le département a des chevaux à Sorel?—R. Oui.

Q. Et on achetait de l'avoine au détail chez vous?—R. C'est en partie du détail. J'avais fait venir un char d'avoine et je leur en ai vendu une partie. Ils achètent tout ici, à Montréal, dans le gros; mais quand il leur manque quelque chose, ils l'achètent à Sorel.

Q. Combien vendez-vous l'huile de charbon au détail chez vous?—R. Dix-huit cents.

Q. Est-ce que c'était le prix en 1904-05, cela?—R. A peu près, je crois bien. Ça ne varie pas beaucoup, cela, c'était à peu près le prix.

Q. Dix-huit cents?—R. Dix-huit cents, oui. Il y a de l'huile américaine aussi.

Q. Dix-huit cents, c'est ce que les clients qui vont acheter chez vous payent pour l'huile de charbon?—R. Oui, monsieur.

Q. De l'huile canadienne?—R. De l'huile canadienne.

Q. Combien vendez-vous l'huile américaine?—R. On vend vingt-cinq et trente cents.

Q. Combien vendiez-vous l'huile américaine en 1904-05?—R. Ah, bien, cela, je ne me rappelle pas.

Q. Dans tous les cas, quand vous vendez au gouvernement, vous chargez le profit du détail?—R. A peu près, oui.

Q. Et qu'est-ce que ça veut dire pour vous, cela, le profit du détail?—R. Il n'y a que les marchandises de tablettes, dans notre commerce, qui paient; la marchandise de tablettes, c'est une marchandise payante, on la vend avec profit. Cela veut dire à peu près vingt pour cent sur la marchandise de tablettes; on vend même plus que cela et eux autres, quand ils achètent des marchandises de tablettes, une serrure, différentes choses comme cela, c'est à peu près ce que l'on fait de profit, vingt pour cent. C'est le prix qu'on vend à n'importe quel individu. On vend même de la marchandise qui donne plus que vingt pour cent.

Q. Quand un client va chez vous pour acheter trois cent deux gallons d'huile, vendez-vous cela au prix du détail encore?—R. Cela, c'est le prix du gros.

Q. Ça devrait être le prix du gros?—R. Oui, je vous dis que c'est le prix du gros.

Q. Alors, combien le département aurait-il dû payer par gallon, sur une vente de trois cent deux gallons d'huile?—R. Si c'est de l'huile américaine, ça doit valoir vingt-trois cents, je suppose, ou vingt-quatre cents, quelque chose comme cela.

Q. En gros, au prix du gros?—R. Oui, oui, le prix du gros.

Q. Mais combien payez-vous, vous, pour cette huile-là?—R. Je ne me rappelle pas.

Q. Combien payez-vous, au prix du gros?—R. Je ne me rappelle pas.

Q. Mais, monsieur Lemoine, vous êtes dans le commerce depuis trente ans; vous êtes certainement capable de me dire quel était votre prix coûtant. Vous venez de dire que le prix que vous vendiez l'huile de charbon, en gros, était de vingt-trois cents; vous devez être capable de me dire combien vous payez vous-même cette huile-là?—R. Non, monsieur. Nous sommes six au magasin, et je ne m'occupe pas beaucoup du prix coûtant ni du prix vendant.

Q. Lequel des six faudrait-il faire venir, alors, pour avoir ces informations-là?—R. J'ai un premier commis qui s'occupe de recevoir la marchandise et de la marquer.

Q. Monsieur Lemoine, où achetez-vous votre huile de charbon, vous?—R. De la *Imperial Oil*.

Q. Ici, à Montréal?—R. Oui.

Q. Le département peut-il acheter la *Imperial Oil* aussi bien que vous?—R. Nous avons une "tank" à Sorel; je crois qu'ils ont plus d'avantage à acheter chez nous qu'à acheter à Montréal. L'*Imperial Oil* a une "tank" à Sorel, où on livre l'huile.

Q. Si la *Imperial Oil* a une "tank" à Sorel pour livrer l'huile, elle en livrerait tout aussi bien au département qu'à vous-même?—R. L'*Imperial Oil* ne livre pas l'huile de charbon en petite quantité, on la vend au magasin.

Q. Mais vous n'appellez pas une petite quantité une vente de trois cent deux gallons d'huile?—R. Quand ils ont un compte chez nous—ils ne font pas de compte ailleurs, je ne pense pas.

Q. Ce n'est pas là ma question; je vous demande si une quantité de trois cent deux gallons d'huile vous considérez cela une petite quantité?—R. Non, c'est du gros, cela.

Q. Si le département s'était adressé à l'*Imperial Oil*, à Sorel, à la "tank" de Sorel, cette quantité de trois cent deux gallons?—R. Je ne le sais pas. Dans tous les cas, ils viennent chez moi, ils me demandent de l'huile, je remplis l'ordre.

Q. Avez-vous des doutes là-dessus?—R. Non, je ne le sais pas. Je crois qu'ils font aussi bien chez nous qu'ils pourraient faire à l'*Imperial Oil*, parce que l'*Imperial Oil* a un agent chez nous et il leur vendrait le même prix que je leur vends.

Q. Pour quel raison l'*Imperial Oil* vendrait-elle au département, qui achèterait en aussi grande quantité que vous, le même prix que vous vendez au département? c'est cela que je voudrais savoir?—R. Je ne vois pas qu'ils auraient intérêt de leur vendre à meilleur marché que je leur vends, moi.

Q. Comprenez bien ma question, monsieur Lemoine?—R. Je comprends.

Q. Si.... Desbarats, ou celui qui est agent du département à Sorel, fût allé trouver l'agent de l'*Imperial Oil* et lui eut demandé trois cent deux gallons d'huile, est-ce qu'il n'aurait pas pu obtenir ces trois cent deux gallons d'huile à aussi bonne composition que vous-même pourriez les obtenir de cet agent-là?—R. Non, non; non, monsieur; j'achète bien plus d'huile de charbon que le gouvernement peut en acheter, je dois payer meilleur marché que le gouvernement paie. Cela, c'est certain.

Q. Vous ne prétendez pas, monsieur Lemoine, que l'agent de l'*Imperial Oil* pourrait refuser de vendre au département trois cent deux gallons d'huile au même prix qu'il vous aurait vendu à vous trois cent deux gallons d'huile?—R. Non, monsieur. Nous achetons l'huile de charbon une fois par année. C'est un contrat que nous faisons avec l'*Imperial Oil*, et notre contrat est fait pour l'année; nous avons un prix spécial pour l'année. Ils ne vont pas demander de soumission au gouvernement, parce que le gouvernement n'est pas un commerçant d'huile. Notre huile est achetée pour l'année.

Q. Oui, mais le département pourrait faire, tout aussi bien que vous, la même chose que vous faites: avoir un contrat pour l'année avec l'*Imperial Oil*? Il n'y a

absolument rien qui empêcherait le département de faire la même chose que vous, n'est-ce pas?—R. Ça ne s'est jamais pratiqué.

Q. Cela ne s'est jamais pratiqué?—R. Non.

Q. Maintenant, vous avez une copie de vos livres, n'est-ce pas?—R. Oui, des ventes que j'ai faites.

Q. Voulez-vous me la montrer, s'il vous plaît? (Le témoin remet à l'avocat un papier.)—R. Cela, c'est pour le département d'Ottawa, seulement.

Q. Comment, le département d'Ottawa?—R. Il y a pour Québec aussi; ce n'est pas la même chose.

Q. Québec n'a pas d'agence à Sorel?—R. Il y a le *Shamrock*; mais le *Shamrock* ne va pas là-dedans. Ceci, c'est ce que nous avons vendu.... On tient des comptes séparément.

Q. Je comprends que vous tenez des comptes séparément, mais quand même vous vendriez à quinze, vingt ou vingt-cinq individus du département, ce sont toujours des ventes au département. Ce que je voudrais avoir c'est la totalité de vos ventes au département?—R. J'ai pris seulement ce que nous avons vendu au département; ce qui a été vendu pour le *Shamrock*, c'est à part de cela.

Q. Vous comprenez, monsieur Lemoine, que cet extrait de vos livres n'est pas satisfaisant du tout?—R. Comme je l'ai dit, j'ai été averti seulement hier soir de venir ici.

Q. Vous aviez été averti la dernière fois?—R. Mais j'étais malade. Hier soir j'ai été averti à la dernière minute. Si j'en avais eu le temps, j'aurais fait faire un relevé par mon commis.

Q. Vous vous rappelez que vous avez reçu un *subpoena* pour le mois de septembre?—R. Oui, monsieur, et je vous ai écrit aussi. Hier soir ils sont venus m'avertir à neuf heures. Mon commis était parti dans ce temps-là; alors, j'ai pris un relevé de ceci seulement.

Q. Voyez-vous, monsieur Lemoine, le rapport de l'auditeur général pour 1904-05 dit que vous avez vendu trois cent deux gallons d'huile de charbon, à vingt-trois cents?—R. Oui.

Q. Et vous n'avez pas cet item-là dans l'état que vous venez de me remettre?—R. Cela, ça ne va pas là-dedans, parce que c'est pour le *Shamrock*, l'huile de charbon.

Q. Pour le *Shamrock*, trois cent deux gallons d'huile de charbon?—R. Je ne peux pas dire si c'est là-dedans.

Q. Vous ne prétendez pas dire, vous, monsieur Lemoine, un vieux marchand de Sorel, que le *Shamrock* dépense, dans une seule année, trois cent deux gallons d'huile de charbon?—R.

Q. Me dites-vous, monsieur Lemoine, que vous avez livré au *Shamrock* trois cent deux gallons d'huile de charbon dans l'année 1904-05?—R. Je ne peux pas dire cela. Comme je l'ai dit, j'ai des commis dans mon magasin, et ce sont eux qui font les ventes; souvent je ne m'en occupe pas; assez souvent je ne m'occupe pas des ventes, je m'absente....

Q. Je comprends bien, monsieur Lemoine, mais un homme a beau être riche et faire des grosses affaires, quand vous voyez partir d'un seul coup un lot de trois cent gallons d'huile, il me semble que, même l'homme le plus riche, doit le remarquer?—R.

Par l'honorable Commissaire:

Q. Was this oil used for machinery?

M. PERRON.—I don't think so; ça doit être pour l'éclairage. Il will ask to the witness.

Le COMMISSAIRE.—For what object was that oil placed on the boat?

Par M. Perron:

Q. Cette huile de charbon que vous auriez livrée à bord du *Shamrock*, pour quel objet était-elle achetée?—R. Je ne sais pas si c'est pour le *Shamrock*.

Q. Vous êtes sous l'impression que c'est pour le *Shamrock*?—R. Oui.

Q. Dans tous les cas, à bord des bateaux du gouvernement, pour quel usage se servaient-ils de cette huile de charbon?—R. Pour l'éclairage.

Q. Uniquement?—R. Oui.

Q. L'huile de charbon, ils ne pouvaient pas s'en servir pour les machines?—R. Non, monsieur. Trois cent deux gallons d'huile de charbon, ça n'est pas un gros, gros chiffre.

Q. Vous comprenez, monsieur Lemoine, je ne veux pas vous presser indûment, mais, voyez-vous, il y a ici une vente de trois cent gallons d'huile...?—R. Je ne trouve pas que ce soit un montant considérable, trois cents gallons d'huile pour le département. Ils pouvaient s'en servir pour d'autres bateaux que celui-là. Je ne trouve pas que le montant soit considérable. J'ai vendu à la Compagnie Richelieu des quantités d'huile de charbon plus considérables que celle-là. Trois cents gallons, ça n'est pas une grosse affaire, ce n'est pas une grosse vente.

Q. Bien, il me semble à moi que c'est une grosse vente, trois cents gallons d'huile de charbon?—R. Pour une compagnie, ce n'est pas grand'chose. Un baril d'huile de charbon contient cinquante gallons, et ça ne dure pas bien longtemps. Pour une compagnie, je ne trouve pas que c'est une grosse affaire.

Q. Si vous pouviez seulement vous rappeler à qui vous avez livré ces trois cents gallons-là, où ils ont été livrés. C'est ce que je voudrais savoir de vous?—R. Je pense que ça été livré au département, et je suis sous l'impression que ça été demandé pour le *Shamrock* et l'*Acétylène*. Il y a plusieurs "tugs" qui suivent le *Shamrock*.

Q. Monsieur Lemoine, en faites-vous souvent des ventes de trois cents gallons d'huile de charbon d'un coup?—R. Assez souvent. On vend à un marchand dix quarts d'huile de charbon, assez souvent. J'ai acheté l'huile de charbon par quantités de soixante quarts.

Q. Trois cents gallons, c'est au moins six quarts?—R. Ça n'est pas une grosse vente, six quarts.

Q. Tout de même, vous devez certainement vous rappeler les circonstances dans lesquelles cette vente-là a été faite; vous devez vous rappeler qui est venu vous commander ces trois cents gallons?—R. Est-ce en une seule vente?

Q. Le rapport semble indiquer que c'est une seule vente. Vous devriez vous rappeler qui est venu vous commander ces trois cents gallons d'huile de charbon et à qui vous les avez livrés?—R. Je ne m'en rappelle pas.

Q. En y réfléchissant, vous ne seriez pas capable de le dire?—R. Dans tous les cas, si vous l'avez là, ça dû être livré; et je pourrais vous en donner la date.

Q. Pendant combien de temps le *Shamrock* a-t-il travaillé dans le chenal durant l'année 1904-05?—R. Je ne peux pas dire cela.

Q. Vous n'en connaissez rien?—R. Non.

Q. Absolument rien?—R. Non, monsieur.

Q. Qu'est-ce que c'est que le *Shamrock*?—R. C'est un bateau qui transporte les bouées, je crois.

Q. Le *Shamrock*, c'est le bateau de M. Boucher?—R. Oui.

Q. Le *Shamrock*, c'est le bateau dont M. Boucher se servait pour transporter les bouées?—R. Avec cela il y a des barges, je crois, des barges qui suivent le *Shamrock*.

Q. Maintenant, monsieur Lemoine, vous devriez être capable de nous dire combien vous avez fait de profit sur le gouvernement dans cette vente-là?—R. Je ne peux pas le dire.

Q. Vous en avez certainement une idée; vous devez savoir, à la cent, combien vous payiez du gallon pour l'huile de la compagnie *Imperial Oil* en 1904-05?—R. Non, je ne m'en rappelle pas. Je ne m'occupe pas de cela du tout, j'ai des employés qui font ces ouvrages-là.

Q. Maintenant, je vois par le même compte, en 1904-05, une entrée qui se lit comme suit: "Sundry hardware supplies, \$289.37".

Q. Vous avez là une vente de "sundry hardware" pour deux cent quatre-vingt-neuf piastres et trente-sept cents: Qu'est-ce que c'était que cette vente de "sundry hardwares" pour deux cent quatre-vingt-neuf piastres et trente-sept cents?—R. Ça doit être de la marchandise de tablettes, je suppose.

Q. Mais vous voyez là que l'on a acheté, en un seul coup, pour près de trois cents piastres de "sundry hardwares", de petites marchandises; vous rappelez-vous ce que c'était?—R. Non, je ne m'en rappelle pas.

Q. Et vous ne vous rappelez pas à qui ça été vendu?—R. Non, je ne m'en rappelle pas.

Q. Du tout, du tout?—R. Dans quel temps, cela?

Q. En 1904-05 encore?—R. Non, je ne m'en rappelle pas.

Q. C'est une grosse vente, monsieur Lemoine, deux cent quatre-vingt-neuf piastres?—R. C'était le printemps, je suppose, et c'étaient des marchandises pour gréer un bâtiment.

Q. Je ne le sais pas; si vous pouviez nous le dire?—R. Je ne m'en rappelle pas.

Q. Voici une vente de petites marchandises, de "sundry hardwares" pour deux cent quatre-vingt-neuf piastres, d'un seul coup: Vous rappelez-vous où cette marchandise-là a été livrée?—R. Je ne m'en rappelle pas du tout.

Q. Et qui l'a achetée? vous ne vous rappelez pas de cela?—R. Du tout.

Q. Mais comment se fait-il que vous vendiez du "casting" vous, au département?—R. Comment, du "casting"?

Q. Vous n'êtes pas fondeur, vous?—R. Ce sont des poêles, cela.

Q. Non?—R. Oui, ce sont des morceaux de poêles. On appelle cela "castings", ce sont des dedans de poêles, des grils de poêles.

Q. Huit cent vingt-six livres de "casting", d'un coup?—R. Ce sont des dedans de poêles. Je leur ai vendu des poêles au département, et ceci, le "casting" ce sont des grils de poêles, des dessous de grils, des blocs.

Q. Est-ce que vous ne vous trompez pas, là? Regardez, voyez les entrées dans le rapport de l'auditeur général: "Castings, 826 livres, \$12.31". Maintenant, vous avez une autre entrée: "Castings for stoves". Cette seconde entrée est évidemment pour des poêles?—R. Ils n'ont pas spécifié que c'était "for stoves" dans l'autre entrée, mais c'était la même chose.

Q. Alors, vous avez vendu ce printemps-là à peu près deux mille livres de "castings" pour les poêles?—R. Oui, je ne me rappelle pas exactement. Dans tous les cas, le "casting" ce sont des grils de poêles, des dedans de poêles.

Q. Qu'est-ce que le département a besoin de poêles?—R. Sur les "dredges", sur les "tugs", ils ont des poêles pour faire la cuisine.

Q. Vendez-vous de la boisson au département?—R. Jamais.

Q. Pendant la période de temps que je viens de vous mentionner?—R. Non, jamais.

Q. Aux employés?—R. Jamais on n'a vendu de boisson au département. Quant aux employés, on vend à tout le monde, vous savez, chez nous.

Q. Oui, je comprends cela; je comprends que vous n'en vendez pas au département; le département n'en boit pas, lui, de la boisson, il n'y a pas de doute là-dessus; mais je vous parle des employés. Arrivons donc aux employés?—R. On vend à tout le monde. Des employés du gouvernement, il y en a beaucoup qui viennent acheter au magasin; et ceux qui viennent demander de la boisson chez nous, on leur en vend, comme on en vend à tout le monde.

Q. Je comprends cela; mais cette boisson-là qui est achetée par les employés du département, c'est chargé dans les "castings", cela?—R. Non, monsieur. Ça ne se fait pas, chez nous, cela.

Q. Est-ce que ça n'est pas chargé avec les poêles et les "castings"?—R. Non, monsieur.

Q. Et l'huile de charbon?—R. Il n'y a pas d'employés qui ont demandé de la boisson chez nous de cette manière-là. Ça ne se fait pas.

Q. Avec l'huile de charbon?—R. Non.

Q. Est-ce qu'il n'y a pas un peu de boisson avec l'huile de charbon?—R. Non, monsieur, je jure cela.

Q. A votre connaissance?—R. Jamais à ma connaissance à moi, ni par les employés.

Q. Vous ne pouvez pas jurer pour vos employés?—R. Ça ne se fait pas au magasin chez moi.

Q. Vous avez plusieurs commis?—R. Jamais un commis n'a fait cela, ça ne se fait pas.

Q. Vous avez remarqué qu'il y avait des petites livraisons de quelques gallons d'huile de charbon: est-ce que ceci n'est pas de la boisson qui a été chargée sous le titre d'huile de charbon, monsieur Lemoine?—R. Non, monsieur, jamais.

Q. Disons que vous ne l'avez pas fait, vous; mais est-ce que ça ne vous a pas été rapporté?—R. Jamais, ni mes employés ont fait cela non plus.

Q. Vous êtes bien certain de cela?—R. Je suis bien certain de cela.

Q. Que dans les "castings" et l'huile de charbon il n'y a pas un peu de whisky pour les employés?—R. Non, monsieur.

Q. Maintenant, vous avez vendu de l'avoine à cinquante cents le minot?—R. Oui.

Q. Vous n'avez pas perdu d'argent là-dedans?—R. Non, je ne pense pas.

Q. Vous aviez un profit de combien là-dedans?—R. Je ne me rappelle pas.

Q. Vous n'en avez pas d'idée?—R. Ça devrait être dans les quinze pour cent, je suppose.

Q. Est-ce que ça n'est pas plus que cela?—R. Ah, je ne sais pas, je ne peux pas le dire. Dans tous les cas, quand on leur vend, on vend avec profit, au gouvernement, comme à tout le monde; on a assez de dépenses qu'on ne vend pas de la marchandise pour rien.

Q. Vous ne faites pas des affaires pour votre santé?—R. On ne fait pas des affaires pour le plaisir, mais pour faire de l'argent.

Q. On va prendre l'année suivante, 1906-07, qui est plus proche que l'autre, vous vendez des briques à la livre vous?—R. Oui, monsieur.

Q. A la livre?—R. Des briques de poêles; c'est pour les poêles, cela.

Q. Ça doit être des poêles bien considérables—il y a trois cent soixante et dix livres de briques. Est-ce pour un poêle, cela?—R. Pas pour un poêle, ah non, pour plusieurs poêles. Ils brûlent cela dans un été, un devant de poêle.

Q. Les gens du département?—R. Oui.

Q. Il n'y a qu'eux autres à qui ça arrive, cela, n'est-ce pas?—R. Sur les "dredges", quand ils ont un poêle pour nourrir quinze ou vingt personnes, ils sont obligés de le chauffer beaucoup ce poêle-là.

Q. Maintenant, vous rappelez-vous qu'en 1906—je crois que c'est en 1906—vous avez vendu encore, d'un bloc, trois cent dix piastres et quatre-vingt-quinze cents de petites marchandises?—R. Non, je ne me rappelle pas de cela.

Q. C'est encore une vente considérable, cela? Et une vente au comptoir? C'est une vente au comptoir, n'est-ce pas?—R. Oui.

Q. A quarante pour cent de profit?—R. Non, pas quarante pour cent. On n'a pas vendu.... Je ne me rappelle pas d'avoir vendu cela.

Q. Vous ne vous rappelez pas d'avoir vendu cela?—R. Non.

Q. Cela apparaît dans le rapport de l'auditeur général; vous pouvez le voir vous-même?—R. Ils viennent des fois au magasin pour acheter ce qu'il faut pour gréer un bâtiment.

Q. Avec un ordre?—R. Avec un ordre.

Q. Maintenant, les poêles coûtent cher chez vous: soixante et cinq piastres?—R. On en a de plus cher que cela aussi, on vend des poêles jusqu'à quatre-vingts piastres.

Q. Combien le département aurait-il payé s'il eut acheté ce poêle-là ici, à Montréal, au lieu de l'acheter à Sorel?—R. Il l'aurait payé aussi cher, je crois.

Q. Vous ne vendez pas plus cher à Sorel qu'à Montréal?—R. Non.

Q. Plus cher que le gros vend, dans tous les cas?—R. Un poêle, on n'achète pas cela dans le gros.

Q. Vous, vous achetez plusieurs poêles?—R. Oui, j'achète plusieurs poêles.

Q. Et le département achète plusieurs poêles chez vous?—R. Ils en achètent un par-ci par-là, ils ne viennent pas acheter douze poêles en un seul achat.

Et le déposant ne dit rien de plus.

ALFRED LAVALLÉE, marchand de bois et de charbon, de Sorel, âgé de cinquante-six ans, est assermenté et dépose comme suit:—

Par M. Perron:

Q. Vous dites, monsieur Lavallée, que vous êtes marchand de bois et de charbon?—R. Oui, monsieur.

Q. A Sorel même?—R. A Sorel même, oui.

Q. Depuis combien d'années?—R. Seul, depuis trois ans.

Q. Et avant, avec qui étiez-vous en société?—R. Avec M. Leclerc, J. L. B. Leclerc; j'ai été treize ans avec M. Leclerc, et trois ans seul.

Q. Avec M. Leclerc, vous dites?—R. Oui, monsieur.

Q. Vous avez fait des ventes au département de la Marine, vous aussi?—R. Oui, un petit peu.

Q. Pendant les trois années 1904-05, 1905-06 et 1906-07, pour combien avez-vous vendu?—R. Dans les cinq à six mille piastres, à peu près.

Q. Prenons 1904-05?—R. 1904-05, c'est dans cette année-là que j'ai à peu près le moins vendu.

Q. Que vous avez le moins vendu?—R. Le moins vendu.

Q. Qu'est-ce que vous avez vendu cette année-là?—R. J'ai vendu du charbon.

Q. Du charbon?—R. Oui.

Q. Quelle espèce de charbon?—R. Du charbon mou et du charbon dur; plus de charbon mou que de charbon dur, par exemple.

Q. A qui vendiez-vous ce charbon-là?—R. Je vendais cela au département de la Marine et au Département des Travaux publics.

Q. Mais qui achetait cela de vous, ce charbon mou-là?—R. C'est M. Desbarats.

Q. Lui-même?—R. Bien, il me disait: "On va prendre quelque chose de vous de ce temps-ci; vous attendrez les ordres". Je disais: "Oui, monsieur". Quand il m'envoyait un ordre, je remplissais l'ordre.

Q. Où livriez-vous cela, ce charbon mou-là?—R. J'en ai livré au département du *Shamrock*.

Q. Au *Shamrock*?—R. Oui.

Q. Qui avez-vous vu au *Shamrock* lorsque vous avez livré le charbon?—R. Ah, bien, cela... les ordres étaient donnés par des membres de l'équipage.

Q. Vous devez les connaître?—R. Dans la navigation on les connaît presque tous. A Sorel, c'est en partie une place de navigateurs.

Q. Le *Shamrock*, quelle espèce de bateau est-ce?—R. C'est un bateau qui est dans le département, pour les bouées.

Q. Qui commandait ce bateau-là?—R. Dans les premières années c'était M. Boucher qui était l'ingénieur civil.

Q. C'est lui qui était à bord du *Shamrock*?—R. Bien, pas tout le temps.

Q. C'était son bateau?—R. C'était son bateau, oui.

Q. Le bateau *Shamrock* est-il disposé de façon à placer les bouées et à les enlever ou s'il sert simplement à les inspecter?—R. C'est à peu près son ouvrage qu'il doit faire, cela.

Q. Il est capable de les placer et de les enlever?—R. Il les enlève, il les transporte, il les place et les déplace. C'est lui qui voit à l'entretien du chenal.

Q. Eh, bien, monsieur Lavallée, quand vous avez livré ce charbon-là, vous avez dû voir M. Boucher?—R. C'est arrivé assez rarement. Des fois le *Shamrock* arrivait et j'avais un téléphone. Voyez-vous, le *Shamrock* arrivait au quai, et ma cour à bois et à charbon est assez loin du quai, c'est voisin du bureau de poste. Des fois je recevais un téléphone: "De suite, de suite, on a besoin de dix, quinze, vingt tonnes; il faut partir de suite pour aller à telle place". Des fois, je m'adonnais à le voir, M. Boucher, et il me disait: "Avez-vous l'ordre pour le charbon"? Je disais: "Oui, monsieur". Il me disait: "Dépêchez-vous". Et, que ce fût le dimanche, ou la nuit ou le jour, il fallait immédiatement mettre à bord le charbon dont ils avaient besoin. M. Boucher me disait: "Je prends les chars, je m'en vais à Montréal, et le *Shamrock* doit partir immédiatement". C'était le pilote, je pense bien, qui conduisait le bateau dans ce temps-là, quand M. Boucher s'absentait; je pense bien qu'il n'avait pas d'assistant dans ce temps-là; mais l'année dernière et il y a deux ans il avait un assistant. Je remplissais les ordres que j'avais à remplir.

Q. Cela, c'est bien possible pour les petits ordres; mais vous avez une vente, ici, en 1904-05, pour trois cent soixante-neuf tonnes?—R. Dans trois cent soixante-neuf tonnes, c'est tout compris; c'est tout par intervalles.

Q. Non, vous avez une vente, une seule vente, de trois cent soixante-neuf tonnes et demie; ensuite vous avez d'autres ventes de cinq tonnes, sept tonnes; mais vous avez une vente en bloc de trois cent soixante-neuf tonnes et demie de charbon. C'est sur cette vente en bloc que je voudrais avoir des explications?—R. Je n'ai jamais livré un montant aussi fort que celui-là; le plus que j'ai livré, je pense, ça été vingt-huit tonnes,—les plus gros montants. C'était pour le *Shamrock*, et je ne pouvais pas mettre cela à bord du *Shamrock*; je ne pouvais pas livrer autant que cela. Est-ce du "steam coal"?

Q. "Coal", \$5.25 la tonne?—R. Je n'ai jamais livré ce montant-là.

Q. Avez-vous jamais obtenu, vous, du département de la Marine, des contrats pour du charbon?—R. Des contrats de même; vous savez, on demandait pour avoir des ordres de charbon.... D'abord, nous étions deux, M. Martin et moi, et nous avions chacun notre tour, chacun notre voyage à livrer.

Q. Et vous vous entendiez tous les deux sur les prix?—R. On ne s'entendait pas le même.

Q. Vous et M. Martin, je suppose que vous fixiez le prix auquel vous vendriez au département, au commencement de la saison?—R. Je ne voulais pas vendre plus cher que M. Martin, de crainte de perdre les ventes, et je ne voulais pas vendre meilleur marché non plus. A cinq piastres et vingt-cinq cents la tonne, livrer le charbon le dimanche comme la semaine, à toute heure du jour ou de la nuit, ça n'était pas trop cher. Il nous fallait des hommes extras, pour prendre du charbon sur notre quai à nous autres et aller le porter au quai du *Shamrock*. Ça nous donnait bien plus de trouble. Aux autres, on vendait cinq piastres.

Q. Et au département, cinq piastres et quart?—R. Mais on payait de l'extra pour les hommes; on payait les hommes vingt cents de l'heure, avec les chevaux.

Q. Si j'allais acheter une tonne de charbon chez vous, je la paierais cinq piastres?—R. Vous paieriez cinq piastres si je livrais de suite chez vous. Mais si vous demeuriez dans un deuxième étage, je vous chargerais cinq piastres et quart, et cinq piastres et demie pour le mettre en poche. C'est partout comme cela, à Montréal et dans toutes les autres places; au moins, ceux qui ne veulent pas donner leur butin pour rien. Au prix qu'on vend le charbon à Montréal—c'est à peu près comme à Montréal—aujourd'hui on vend cinq piastres et trente-cinq cents à Sorel.

Q. Excepté au gouvernement?—R. Au gouvernement, je vends le même prix qu'aux autres, excepté quand il achète en poches; alors, je fais de l'extra pour mettre le charbon en poches, comme je le fais pour tout le monde.

Q. Pourquoi mettez-vous le charbon en poches? Est-ce que le gouvernement n'achète pas son charbon à la tonne?—R. Le charbon mou, pour les engins; mais sur les bateaux ils font leur cuisine avec du charbon dur, et ils ont une boîte à charbon

qui contient une demi-tonne, trois quarts de tonne, et ils ordonnent le charbon en poches, pour la cuisine; des fois une demi-tonne, des fois trois quarts de tonne. Un homme ne peut pas empocher du charbon pour rien, ça coûte quelque chose. S'il le prenait "loose", au lieu de six piastres et trois quarts ce serait six piastres et demie. Quand le charbon se vend à six piastres et demie sans être en poches, on leur vend à six piastres et trois quarts en poches; il faut qu'ils payent en plus pour l'empochage.

Q. Vous savez, sans doute, monsieur Lavallée, que les prix que vous chargez au département sont élevés?—R. Je ne le trouve pas, monsieur.

Q. Ils sont plus élevés que les prix que les gens chargent généralement?—R. Voyez-vous, monsieur l'avocat, un bâtiment prend du charbon; il a besoin de dix tonnes, vingt tonnes de charbon,—un bâtiment étranger; il vient nous trouver et nous dit: "On a besoin de vingt tonnes de charbon". Ce bâtiment-là se place de suite à mon quai, et je prends le charbon à mon quai et je le mets dans le bâtiment. C'est bien moins coûteux pour moi de livrer du charbon de cette manière-là que de faire des fois un demi-mille pour transporter le charbon, comme je le faisais généralement pour le *Shamrock*. Si le *Shamrock* accostait à mon quai pour prendre son charbon, je dirais: Je ne peux pas vendre à ces gens-là plus cher qu'aux autres. Plus il y a de travail, naturellement, plus ça coûte cher.

Q. Qu'est-ce qui empêchait le *Shamrock* de venir se mettre à votre quai pour prendre son charbon?—R. C'est parce que ils avaient sur un autre quai, à un autre endroit, toutes leurs bouées et leurs ancres, tout ce dont ils avaient besoin, et ils étaient obligés de se rendre à ce quai-là pour prendre ce dont ils avaient besoin; et comme ils étaient pressés, il fallait que le chargement des bouées et des ancres et le chargement du charbon se fassent en même temps.

Q. Est-ce qu'il n'y avait pas un marchand de charbon qui était plus proche que vous du quai où le *Shamrock* accostait?—R. Non, il n'est pas plus proche. Nous sommes trois marchands de charbon, M. Leclerc, M. Martin et moi, et nous sommes à peu près en triangle.

Q. Sont-ce là les seuls marchands de charbon qu'il y a à Sorel et qui pouvaient fournir du charbon au département?—R. Dans le charbon mou, oui, monsieur.

Q. Dans le charbon mou?—R. Oui; l'autre n'en tient pas. Nous sommes quatre marchands de charbon, mais l'autre ne tient pas de charbon mou.

Q. Personne autre à Sorel ne vend du charbon mou?—R. Non.

Q. Dans tous les cas, vous vous rendez compte que le département a payé pour trois cent soixante et neuf tonnes et demie de charbon vingt-cinq cents la tonne de plus que les particuliers?—R. C'est parce qu'il y a plus d'ouvrage.

Q. Les bateaux du gouvernement, le *Shamrock*, par exemple, . . . c'est surtout le *Shamrock* que vous avez approvisionné?—R. Oui, monsieur. Les autres, ils ont leur approvisionnement à l'année; ils ont des gros contrats; ils prennent des contrats pour des vingt-cinq mille tonnes de charbon, je suppose, des contracteurs.

Q. Le *Shamrock*, monsieur Lavallée, il est comme les autres bâtiments, il a des chutes?—R. Bien, oui, mais quand l'eau est haute le bâtiment se trouve bien plus haut, et alors il faut charroyer le charbon, le verser sur le quai, et quand on l'a transporté avec nos voitures sur le quai, on prend un autre "set" d'hommes pour le jeter à bord, à la pelle.

Q. L'eau n'est pas haute comme cela tout l'été?—R. Dans le printemps; et après cela, l'automne et l'été, c'est la nuit et le dimanche. On n'a pas les hommes comme on veut les avoir pour travailler la nuit et le dimanche.

Q. Monsieur Lavallée, je comprends que vous vendez, vous, à presque tous les bâtiments qui passent à Sorel?—R. Bien, ça va à la chance. Nous sommes trois et chacun cherche à vendre autant qu'il peut.

Q. Vous n'avez pas répondu à ma question encore?—R. Si je ne vous ai pas compris, expliquez-moi votre question et je tâcherai de vous répondre.

Q. Vous vendez beaucoup aux autres bâtiments, en dehors des bâtiments du département?—R. Il n'y a pas beaucoup de bâtiments qui arrêtent à Sorel pour prendre du charbon.

Q. Vendez-vous cinq cents tonnes de charbon mou par année, à d'autres qu'au département?—R. Non, je ne les vends pas.

Q. Combien de tonnes par année vendez-vous à d'autres bâtiments que ceux du département?—R. Cent cinquante, deux cents, et des années moins.

Q. Vous vendez cinq piastres la tonne?—R. Oui, monsieur.

Q. Et vous mettez le charbon à bord de ces bâtiments-là?—R. Parce qu'ils touchent à mon quai.

Q. N'importe, vous mettez ce charbon à bord des bâtiments pour cinq piastres?—R. Oui, monsieur.

Q. Et le département, lui, qui en achète de vous trois cent soixante et neuf tonnes, le double de ce que tous les autres réunis achètent, vous le lui vendez cinq piastres et quart?—R. Parce qu'il y a deux fois à manœuvrer le charbon. Quand on manœuvre le charbon deux fois, c'est plus coûteux que quand on le manœuvre une seule fois.

Q. C'est là votre explication?—R. Sans doute. Si je vends vingt tonnes de charbon livrable à un bâtiment qui est accosté à mon quai, ça me prend quatre hommes, et quatre hommes livrent cela dans deux ou trois heures; tandis que si je suis obligé d'aller livrer le charbon à un bâtiment qui est accosté à un autre quai, plus loin, je suis obligé de prendre des charretiers et ça me coûte plus cher.

Q. Les autres bâtiments, monsieur, à qui vous vendez du charbon à cinq piastres la tonne, vous êtes obligé de prendre des tombereaux aussi et de transporter le charbon au quai pour le livrer?—R. Non. Mon tas de charbon est sur le quai; j'ai une petite charrette, qui contient une demi-tonne, et j'ai à peu près la longueur de cet appartement-ci à parcourir pour livrer le charbon à bord du bateau qui est accosté à mon quai; je prends deux ou trois hommes et en quelques heures ils livrent une vingtaine de tonnes, au moyen de la charrette. J'en ai livré encore hier à une barge à vapeur l'en bas de Québec; j'en ai livré deux ou trois tonnes, et ça ne m'a presque rien coûté pour le livrer. Voyez-vous, ça n'est presque pas d'ouvrage, et l'ouvrage se fait plus vite. Pour livrer vingt tonnes de charbon au *Shamrock*, ça me prend cinq ou six heures, avec des charretiers, tandis que à un bâtiment qui est accosté à mon quai je puis les livrer dans deux ou trois heures. Cela fait une différence.

Q. Dans tous les cas, votre explication pour charger au département vingt-cinq cents de plus qu'aux autres, c'est que les autres bâtiments viennent prendre le charbon à votre quai, tandis que les bâtiments du département ne le font pas?—R. Non.

Q. Et ça vous coûte plus cher pour faire la livraison?—R. Oui, monsieur.

Q. C'est là la raison?—R. Oui.

Q. Est-ce que les autres bâtiments qui achètent de vous se chargent de la même façon que le *Shamrock* et les autres bâtiments du département?—R. Ordinairement, quand c'est un petit bateau, il fait prendre un peu plus de précautions. Si le bateau est trop bas en bas du quai, ou trop au-dessus du quai, il faut qu'ils mettent des hommes pour nous aider.

Q. Dans tous les cas, le chargement du charbon à bord des autres bâtiments qui achètent de vous, en dehors des bâtiments du département, se fait de la même façon que le chargement des bâtiments du département?—R. Généralement, oui.

Q. Vous vendez considérablement au département, n'est-ce pas?—R. Oui, j'ai vendu un peu.

Q. Beaucoup même?—R. Bien, beaucoup...

Q. Vous avez vendu, en 1904-05, par exemple, par petites ventes à la tonne, comme cela, pour deux mille vingt-cinq piastres?—R. Je n'ai pas énuméré la chose comme elle est là. Peut-être, oui.

Q. C'est un gros client pour vous que le département: Ne croyez-vous pas que, plutôt que de lui vendre plus cher qu'aux autres, vous devriez lui vendre un peu moins cher, à cause de la grande quantité qu'il achète?—R. A moins que je donnerais mon butin.

Q. Quel profit faites-vous quand vous vendez cinq piastres et quart la tonne?—R. Je vous assure que les profits ne sont pas forts.

Q. Cela, c'est encore une grande question de point de vue; vous pouvez trouver, vous, que soixante-quinze cents la tonne n'est pas un profit?—R. Je me contenterais avec soixante-quinze cents. Quand on a gagné trente cents, quarante cents de profit, c'est beau.

Q. Sur le charbon que vous vendez cinq piastres et quart?—R. Oui. Parce que si j'achetais du charbon pas "screené" je paierais vingt-cinq cents meilleur marché que je le paie. J'achète du charbon "screené, qui coûte vingt-cinq cents de plus que le charbon tel qu'il sort de la mine.

Q. Alors, les autres personnes qui achètent de vous, en dehors du département, vous faites à peu près cinq cents de la tonne avec eux?—R. Comment?

Q. Vous dites que vous faites trente cents la tonne avec le département, et vous vendez vingt-cinq cents de plus au gouvernement, ça fait cinq cents pour les autres?—R. Si ça me coûte plus cher de livraison pour le gouvernement, c'est différent, si je paye le double pour les hommes.

Q. Maintenant, vous avez vendu du bois à la corde? Vous avez vendu un cordon de bois au département de la Marine?—R. En quelle année, cela?

Q. 1904-05. Ça doit être un employé cela, n'est-ce pas? Hein, monsieur. Lavallée? c'est un employé qui a été chercher un cordon de bois chez vous?—R. Il y a des employés qui viennent chercher du bois et du charbon chez nous.

Q. Quels sont ces employés-là qui achètent du charbon et du bois chez vous?—R. Il y en a plusieurs.

Q. Donnez-moi donc les noms?—R. Les noms de tous?

Q. Oui, ceux que vous connaissez?—R. Il me faudrait avoir une mémoire terrible pour me rappeler de tout cela. Ce sont en partie tous les ouvriers qui achètent chez nous.

Q. Non, non, je ne parle pas des ouvriers?—R. Des gens de l'office, vous voulez dire?

Q. Oui?—R. Il y a M. Blais qui achète chez nous.

Q. M. Blais achète son charbon chez vous?—R. Oui.

Q. Ensuite?—R. Il y a M. Massé, il y a M. Baril, il y a un M. Beausoleil qui a acheté quelquefois, mais il n'achète plus maintenant; ensuite il y a un nommé Lalonde qui achète chez nous, il y a un nommé Champagne.

Q. Tous les commis dans le bureau?—R. Oui. Il y a un nommé Cosky aussi.

Q. Ça m'a l'air comme si c'était vous qui aviez la clientèle des employés du département de la Marine?—R. Pas tous, mais j'en ai une partie.

Q. Ça n'est pas payant pour vous, cette clientèle-là—R. Je leur vends le même prix qu'aux autres.

Q. Dites-vous que vous vendez à ces gens-là le même prix qu'aux autres?—R. La même chose.

Q. Vous chargez dans vos livres le même prix?—R. Qu'est-ce que vous voulez que je charge autre chose?

Q. Cela ne veut pas dire que vous le collectez?—R. La collection est assez difficile, je vous assure... Voulez-vous savoir si je me fais payer d'eux autres? Est-ce cela que vous voulez dire?

Q. Oui?—R. Ils me payent.

Q. Vous ne leur faites pas un petit peu de bon, pour les rendre coulants, à main?—R. Au prix que le charbon se vend, je ne peux rien ôter là-dessus. Je ne suis pas pour donner ma marchandise pour en faire vendre d'autre. Quand je suis rendu à faire mon inventaire et que c'est rendu à me payer huit à neuf pour cent, et que j'établis des huit à neuf mille piastres de crédit, ce ne sont pas des profits nets.

Q. Combien en donnez-vous de charbon et de bois de corde par année pour rendre ça coulant un peu?—R. Je n'en donne pas.

Q. Pour que ça marche mieux?—R. Je n'en donne pas, à personne; je n'ai jamais rien offert à personne et personne ne m'a jamais rien demandé non plus.

Q. Jamais?

Et le déposant ne dit rien de plus.

CYRILLE ROBIDOUX, charretier, de Sorel, âgé de soixante et six ans, est assermenté et dépose comme suit:—

Par M. Perron:

Q. Monsieur Robidoux, quelle est votre occupation?—R. Je suis charretier.

Q. Vous avez été employé par le département?—R. Oui, c'est moi qui rempli les glacières.

Q. Depuis que les glacières sont faites?—R. Oui.

Q. A Sorel?—R. A Sorel.

Q. Depuis combien d'années, cela?—R. Huit ou neuf ans.

Q. Monsieur Robidoux, mes informations sont que vous remplissez non seulement les glacières du département, mais les glacières des employés aussi?—R. Oui, mais ils me payent pour.

Q. Comme question de fait, c'est vous qui emplissez les glacières de tous les employés?—R. Pardon, de deux.

Q. Qui?—R. Monsieur...., il y en a un dont je ne me rappelle pas le nom; c'est un homme qui travaille au gouvernement, mais pas un des chefs; il est comme journalier, je crois bien. L'année passée le curé a voulu me faire emplir la sienne, mais je n'ai pas pu, on ne pouvait pas avoir de glace nulle part. Et il y a M. Bilodeau, qui est ingénieur à bord du *Tarte*; j'ai empli la sienne, il m'a payé pour.

Q. L'information que vous emplissez les glacières des employés pour rien, pour avoir le contrat pour les glacières du département, est-ce vrai, cela?—R. Ah, non, c'est faux.

Q. Vous chargez cela dans vos livres?—R. Non. Une fois que mon ouvrage est fait, je fais le compte et ils l'envoient à Ottawa.

Q. Oui, je sais que les comptes du département sont payés; mais je parle des comptes des employés?—R. Ils me payent de suite, en finissant.

Q. Jurez-vous qu'ils vous ont toujours payé?—R. Ils m'ont toujours payé.

Q. Certain, cela?—R. Ah, je suis certain, bien sûr. Ce ne sont pas des gens qui ont affaire dans l'office non plus; les employés dont j'emplis les glacières ce ne sont pas des gens de l'office.

Q. Ce sont des employés du gouvernement?—R. Il y en a un qui est journalier et l'autre est ingénieur.

Et le déposant ne dit rien de plus.

Mr. PERRON.—Two other witnesses were to be here, my lord, but they have undertaken to supply me with doctors' certificates before one o'clock.

Hon. Mr. CASSELS.—What is the amount of their sales?

Mr. PERRON.—They are small amounts, between \$1,200 and \$1,500.

Mr. WATSON.—My lord, after luncheon I will be able to have the attendance of Mr. Boucher and the men from his office, and I desire then to pursue the examination in connection with the management of that office.

Hon. Mr. CASSELS.—Will they be examined in English?

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—How long do you think these witnesses will last, Mr. Watson?

Mr. WATSON.—It depends very much on how much information we can get from them, but following upon them Mr. Merwin will have to be examined at considerable length. If I can get the information and particulars from him I think I shall be able to finish during Friday, my lord.

Adjourned at 12:35 p.m. to 2:15 p.m.

Commission resumed at 2:15 p.m.

CHARLES A. LEBEL, sworn.

By Mr. Watson :

Q. What is your position here in the service?—A. I am the sub-agent and I also do the accountant business of the agency of the Montreal department of Marine and Fisheries.

Q. Then as accountant you keep the books of the office?—A. I keep the books of the Montreal Agency.

Q. The Montreal Agency?—A. Yes, sir.

Q. You have them all? —A. Well, the books—the Montreal Agency is supposed to look after the making out of the accounts and statements and sending to Ottawa pay lists of the construction, buoy service, aids to navigation and Montreal Agency.

Q. Yes. Then what is there, a book for each year, or one that is carried on?—A. One book that is carried on. That has been our instruction since I have been there. I was never appointed accountant, I wish to tell you Mr. Watson, but when the accountant was taken away from the Montreal Agency I was put there and I was told by Ottawa, by an official letter, to do the accountant business and I have been doing it ever since. That is 1906, the fiscal year 1906-7.

Q. You were there before?—A. I was there before but I was not acting as accountant, I was there as sub-agent solely.

Q. I hardly understand what you mean by sub-agent, do you mean assistant?—A. Assistant acting agent. That is, I replaced the agent when the agent was away. Mr. Boucher was the agent—is the agent yet, and he was the buoy engineer, and his services at the opening of navigation and until the closing of navigation compelled him to be away a great deal from the office looking after the buoys between here, the whole of the Montreal district, that is from Montreal to 30 miles above Quebec, and I used to do all the internal work of the agency.

Q. Yes. Where is that book, the office book, is it there in the office?—A. Well, I would like to explain.

Q. Never mind about any explanation just now. Meantime the book you refer to is now in the office?—A. Yes, sir.

Q. This is a man from your office (indicating). Just tell him where the book is?—A. It is a very big book.

Q. I can't help that.—A. Would you allow me to tell what is in the book?

Q. No, I want to see it. (Witness instructs official to bring the book).

Q. Now, wait, please. Is there any more than one book?—A. No, sir, there is the statement and accounts.

Q. Yes. Wait a minute. The statement and accounts referred to, included in the book?—A. That is all the entries for cheques received are entered in the book.

Q. I see. That is what I want particularly. Received from where?—A. Ottawa.

Q. And what is done with them?—A. Transmitted to those to whom they are due.

Q. I see. And that is shown in the book, is it?—A. Well, that shows that cheques have been received and sent.

Q. And the application of them is shown by the book?—A. Yes.

Q. Then that is all in one book?—A. All in one book.

Q. Are there any other statements or memoranda or writing that bear upon it outside that book?—A. Yes, but it all corresponds to what is in the book.

Q. Yes, but I did not ask you that, there are other statements in other books?—A. Yes.

Q. As well as the statements?—A. No, there is no other book, but there are the statements.

Q. And where is it, will you tell me where it is?—A. It is in the office. There are all my files, and there are several drawers. I don't see very well how it would be practicable.

Q. Perhaps that is not practicable.—A. We might give the statements. (Witness speaks to official.)

Q. And will you be as quick as you can, please (to official).

Q. That book should show then the application made of the moneys that are received from the department?—A. Yes.

Q. Yes. Quite so. So that there is in that a full account of moneys received and paid out and the purpose for which paid?—A. Yes. Well——

Q. Yes?—A. Yes, I guess that is right.

Q. Of course that would be a proper system of bookkeeping.

By Hon. Mr. Cassels :

Q. Were cheques handed over, were cheques sometimes sent from Ottawa and just passed on?—A. That is all. When we sent a statement to Ottawa we received a payment, a statement together, and we keep the triplicate here, and the cheque in payment of that statement comes to me.

By Mr. Watson :

Q. Yes, I know.—A. I enter cheques with their numbers and dates and for what they were.

Q. Received?—A. Received.

Q. And then you enter the outgoings, that is the payments that were made, and the parties to whom made, that is the money received?—A. Well, that is shown by the book, the official number of the cheque and for what purpose that cheque is issued.

Q. Yes. Then in your position, as assistant to the agent or sub-agent, as you may call it, and as accountant you are responsible first for the accuracy of the statement of the moneys received and the application of those moneys. Do you understand what I mean?—A. Well, I understand what you mean. I received the cheques and sent them and I have never heard any complaint that the cheques were not received, because I got a receipt for them, when I sent out the cheque I sent out the receipt.

Q. Wait, please. If you will just answer shortly. If I want any longer explanation I will ask for it and we will understand each other better and get on a little faster that way, instead of your giving me one answer to cover the whole ground. Then, as I understand from you Mr. Boucher does not personally take charge of the receipt and payment of moneys?—A. Yes, he is the responsible party.

Q. Oh. Well, I know, but I am speaking of the one who superintends and directs it. What I understand is attended to by you, personally?—A. The receiving of the cheques and the sending away of the cheques is attended to by me.

Q. Precisely so. As accountant?—A. I was never appointed officially.

Q. I do not care anything at all about that. You are in a position, therefore, to account by your books for all moneys received from the department?—A. According to the statements.

Q. Yes, according to the statements.—A. Yes.

Q. That is right, is it not? Now, there is no mistake about this, is there, Mr. Bel?—A. About what?

Q. About what you have been saying?—A. Well, I certainly am responsible for the reception of the cheques and the sending of them out.

Q. Yes.—A. And I get a receipt from the parties to whom they are sent.

Q. Then, when the cheques are received from the department are they dealt with and passed on by new cheques or by delivery of the same cheques practically the same way?—A. No. Until the spring, Mr. Watson, the cheques for the construction—I will have to explain this, because otherwise I would simply get muddled.

Q. Can you answer that question?—A. No, not without an explanation.

Q. I will get the explanation just in a minute. Then, if they are not passed on, the cheques are held there, in the office, are they?—A. They are never, I never held back any cheques in the office, without a purpose, that is—

Q. Never mind, I am not asking you about that or the reasons for anything. Are they retained in the office until they are distributed either in cash or by new cheques, or delivery of the same cheques?—A. That is just what I wanted to explain.

Q. Well, yes or no?—A. About new cheques?

Q. Are the cheques held in the office?—A. For construction there is a difference. The works or construction, until this year the cheques for the pay list, supposing that pay list amounted to \$1,500 or \$2,000, there would be one cheque made for that and the cheque would come to the name of Mr. Boucher, agent; he would endorse that cheque and send that cheque down to Sorel, to the paymaster there, or the superintendent of works, who made up the pay list for each man and would pay out the money in cash.

Q. Who would pay out the money?—A. The superintendent of works down at the Sorel office.

Q. What is his name?—A. This year, Mr. Basinet. Last year it was either to Mr. Basinet or Mr. Tremblay, Eugene Tremblay.

Q. Yes. And the year before?—A. The year before, it was, if I recollect rightly, Mr. Ernest Roy, who was then superintendent of works.

Q. Well, you did not say Ernest Roy before that? So there were those three men?—A. For construction work.

Q. And what do you mean by construction work?—A. All the building of the piers on Lake St. Peter and all the works for that were dependent on the Montreal Agency. There was a resident engineer.

Q. Hold on. Don't take charge of me and everybody else so much, please. Then, in your office, you know as a matter of record how those moneys that were sent down there were to be applied?—A. Yes.

Q. And you sent a report showing how they were applied. You got the receipts, I suppose?—A. Yes.

Q. And you have got them still?—A. Yes.

Q. So you have a full record in your office of moneys received and of moneys paid out?—A. Yes.

Q. Yes, that is it. Did any of these moneys ever go to your bank account?—A. Never.

Q. Or to the bank account of Mr. Boucher?—A. The construction—

Q. Oh, never mind. Just answer the question, yes or no?—A. Yes.

Q. Why?—A. The cheques that came for construction went to the account of Mr. Boucher because—

Q. Wait, please. Do you mean to tell me that the money that came from the department, that you allowed it to go into Mr. Boucher's own personal banking account?—A. I did not allow it.

Q. Well, do you mean you knew it was going there?—A. Yes, but Mr. —

Q. Never mind about 'but'.—A. But I can't answer that.

Hon. Mr. CASSELS.—Answer the question and you will have a full opportunity of explaining that. We will give you every opportunity.

Mr. WATSON.—Yes, my lord, the fullest opportunity in the world. But I just want to get certain important facts first. Then we can see what explanations there are of these things.

Q. So you mean to tell me that some of the cheques that came from the department went into Mr. Boucher's own private account; is that so?—A. I cannot say that the cheques went into Mr. Boucher's own private account, but before we could touch this money Mr. Boucher had to endorse those cheques because he had already advanced the money on those pay lists.

By Hon. Mr. Cassels :

Q. What you are asked is whether he endorsed them and put them through his account prior to his paying them out. That is what Mr. Watson wants to know.

-A. If Mr. Boucher put those cheques to his own private account?

Q. I didn't say those cheques, but any of them, whether he endorsed and cashed them and put them to his own bank account before he paid them out; that is the question you are asked.—A. He may have done that but he gave his own personal cheque in payment of these cheques.

Q. That may be, but you were asked one question, whether he endorsed them, cashed them and put them into his own bank account and subsequently paid them out by his own cheque?—A. Yes.

Q. That is the question Mr. Watson is asking you.

By Mr. Watson :

Q. That is it.—A. That is, Mr. Boucher having advanced the money on that special pay list—

Q. I didn't ask you for an excuse at all, I just want the bare fact. Meantime, I just want to get some few facts out, then we will see what the reason or explanation is, afterwards. Then, of course, as accountant and assistant manager, you had knowledge of that?—A. I had knowledge of the reception of the cheques and paid—

Q. And you had knowledge of those that went into his personal bank account, yes or no?—A. I know that he deposited some of these cheques in his personal bank account because—

Q. That will do, never mind the because. Then you kept track of those, of course, as accountant?—A. I kept track of the whole of the cheque.

Q. As accountant?—A. Yes.

Q. And the application made of it. You have just told me the books you have contain a true record, that is right, is it?—A. The book—

Q. Just yes or no. Is that right?—A. The book I have will show that the cheque for the full amount is entered in the book.

Q. That is not what I asked you at all. Do not answer so quickly. Think a little bit so that we won't get at any cross purpose at all. You just want to tell me the facts, want to hear them. The books you kept you told me, contained a true record of the moneys received from the department and of the use made of those moneys?—A. Yes.

Q. That is right?—A. That is right.

Q. Then, when Mr. Boucher deposited one of the cheques to his own private account how did you keep track of what was done with the money?—A. I entered it in my book the full amount of the cheque with the official number—

Q. Oh, I don't want that. That is not what I am asking you.

Hon. Mr. CASSELS.—Let him go on with his explanation.

By Mr. Watson :

Q. Go on.—A. Mr. Watson, the full explanation I can give is this. The money for the cheque that was deposited in Mr. Boucher's name came to him payable to him.

By Hon. Mr. Cassels :

Q. We understand that. Now, go on. What did you keep track of?—A. I entered into my book the full amount of that cheque just as I received it. Now he deposited that cheque in his account at the bank because he received advances from the government and sent his own personal cheque to the paymaster at Sorel to pay that payment.

By Mr. Watson :

Q. Yes, but how did you keep track of the use made of the moneys, that is the persons to whom it was paid?—A. Each individual—

Q. Eh?—A. Do you mean each party to whom that money was paid?

Q. Yes, certainly.—A. That cheque is entered in my book for the full account.

Q. We know that four times over. I am speaking of the payments out. How did you keep a true record of the payments out of the moneys, where did you get that?—A. The amount that was sent to Sorel for the payment of the men was paid out to each man individually, they put them in envelopes. I had nothing to do with that.

Q. I know. Did you keep a record of that?—A. On my record of the cheques received in the office.

By Hon. Mr. Cassels :

Q. No. What Mr. Watson is asking you is a very plain question. Certain moneys come to the order of Mr. Boucher?—A. Yes, sir.

Q. Say it might be a couple of thousand dollars. That money is to be distributed among eight or ten different people, however, he cashes that cheque and he chooses to pay it to his own credit. (That is either right or wrong, that is not a matter you are concerned about.) You entered in your book the cheque for \$2,000 received?—A. Yes.

Q. How does your book show the distribution of that \$2,000 at a subsequent date? That is what Mr. Watson wants to get at?—A. My book would not show that each man received his amount but my book shows I received that cheque and the pay-lists show the men were paid.

Q. The pay-lists show the payments to the men for whom the cheque was sent?—A. Yes.

By Mr. Watson :

Q. I see; the moneys are applied to these particular pay-lists on each occasion?—A. Yes.

Q. So in that way you account for each particular receipt of money?—A. Yes.

Q. That is right?—A. By the pay-list.

Q. You personally superintended that?—A. Yes.

Q. From whom did you get that information as to the distribution of the moneys?—A. Eh?

Q. Let me ask you who sent this money to Sorel, you?—A. Mr. Boucher would send it.

Q. In all cases?—A. In all cases, up to this year.

Q. Well, he sent the money to Sorel, that is to one of these three persons?—A. Yes.

Q. Then what is the next you heard about it?—A. Well, I didn't hear any more about it.

Q. Then, it may have been thrown to the winds?—A. No, I would have heard about it if it had not been paid.

By Hon. Mr. Cassels :

Q. How did you find out?

By Mr. Watson :

Q. Yes. What is the next record you make?—A. The pay-lists being signed by the men remained in my office for the receipt of each amount.

Q. Well, is the pay-list sent down with the money?—A. They have a pay-list in Sorel.

Q. Do they send back the pay-list with the signatures of the men?—A. No, but they sent back for the receipt of the amount of money that was sent.

Q. That is not what I mean, you see. I was asking you before if you had receipts from all persons to whom money is paid?—A. Not on each pay list. The way the men are paid, I have a receipt for the full amount of the cheque.

Q. Oh, that is all.

By Hon. Mr. Cassels :

Q. You simply have a receipt that so much money was received at Sorel?—A. Yes, sir.

Q. And that amount corresponds with the cheque received?—A. Yes.

Q. Whether the men ever got it or not you do not know?—A. No.

By Mr. Watson :

Q. You don't know anything about that?—A. I don't know anything about that. I had nothing to do with Sorel.

Q. You had nothing to do with Sorel?—A. Because I have nothing to do with the paying of money to the people at Sorel. I send them cheques from Montreal and get back the receipts. This year now for all the merchants who deal directly with the department, the cheques come to me.

Q. Yes. The cheques come in whose name?—A. In the name of each individual who has an account against the department.

Q. That is the regular way?—A. That has been established this year only.

Q. What has it been before?—A. That is for construction. Before it was one cheque for to pay each pay-list.

Q. What?—A. Each pay-list for construction.

Q. I know.—A. But the accounts always came in each individual name, we always made a separate statement.

By Hon. Mr. Cassels :

Q. To whose order did the money go in Sorel?—A. To the superintendent of works.

By Mr. Watson :

Q. That is any one of these three parties we have got the names of.

By Hon. Mr. Cassels :

Q. Then you left the responsibility to them?—A. Yes.

By Mr. Watson :

Q. You do not know whether they applied the money or not?—A. Personally I do not know, but if they had not received the money I would have heard of it.

Q. You do not know whether they kept a part of it or paid the balance?—A. I do not know anything about that, I do not know anything about their keeping the money.

Q. Then you are a gentleman of considerable experience?—A. I don't know.

Q. Well, I mean to say you are a man of middle age?—A. Well, I am pretty old.

Q. Not pretty old; you are just under middle age?—A. Oh, no, above middle age, I am sorry to say.

Q. Why was not an account kept of the departmental moneys, separate from any other moneys?—A. Why was what?

Q. Why was not a separate account kept of these departmental moneys in the bank?—A. I had nothing to do with the moneys at all. I received no—

Q. I know you had not personally, but as accountant and as assistant why was the system allowed to prevail to some extent of the deposit of these moneys by Mr. Boucher in his own personal account?—A. It was so as to pay the men according as the pay-lists came in.

By Hon. Mr. Cassels :

Q. He could have opened a government account and deposited the money there.—A. Oh, I don't know. That system—

Q. That is what Mr. Watson is asking you.—A. That system was in vogue when I was there, and I don't know—

By Mr. Watson :

Q. How long have you been there?—A. I have been there going on five years, but I had nothing to do——

Q. Now, I did not ask you anything about that. Five years——You know, of course, as a business man that that was not a regular course, putting it mildly.

Hon. Mr. CASSELS.—My recollection is, Mr. Watson, it is a criminal course. I do not mean morally criminal; it is under the Statute.

Mr. WATSON.—It is an appropriation of other people's money.

Hon. Mr. CASSELS.—Under the statute that is a criminal offence.

Mr. WATSON.—I think so.

Q. You knew that was an irregular course, did you not?—A. I cannot say it was an irregular course, but——

Q. That will do. Do not make a speech each time. Then, did it ever occur to your mind that an irregular course was being pursued in that respect? Yes or no?—

A. I did not think so.

Q. You did not think so?—A. I never had——

Q. Listen. Then you never made any report of that to the department at Ottawa?—A. The department at Ottawa was aware of the fact.

Q. Aware of what fact?—A. Of these cheques coming in Mr. Boucher's name, and being deposited against his advances which he had given to the men.

Q. Did the department, and if so, I want to know the name of the gentleman in the department, who knew that these cheques were deposited in Mr. Boucher's own personal bank account, mixed up with his own moneys? Do you say that any officer of the department knew that?—A. No, I could not say as a fact that the department was aware of the fact.

Q. Well, that is all. Just think and speak slowly, please. You could not say that, of course, because that is manifestly an exceedingly irregular course, to put it mildly. You say you never had that in mind yourself: that is what I understand you to say.—A. I had nothing to do with the money.

Q. I did not ask you that. But did you have in mind it was an irregular, improper course?—A. I never saw anything.

Q. I do not ask you what you saw. Did you have in mind, did you think at any time that that was an irregular, improper course?—A. I don't think so.

Q. You don't think so; that is the position. Well, we have to deal with things as they are, I suppose. Were cheques made payable to your order when Mr. Boucher was away?—A. Never.

Q. Never, I see. Did you yourself deposit moneys or cheques from the department to Mr. Boucher's own personal account?—A. Never.

Q. Did you keep the bank slip showing the deposits?—A. I had nothing to do with the bank account.

Q. But you had to do with the use of the money as accountant?—A. I never handled the money; it was the cheques.

Q. The cheques, I mean the same thing. You kept track of those, I see?

By Hon. Mr. Cassels :

Q. Who endorsed cheques when Mr. Boucher was away?—A. The cheques were kept until he returned. I had no authority to endorse the cheques nor——

By Mr. Watson :

Q. Never mind. Did any one have a power of attorney from him to sign his name?—A. Not in our office.

Q. I see, not in your office. Now then, you were aware from time to time that complaints were being made against Mr. Boucher, were you not?—A. I heard of complaints being made against Mr. Boucher, when I heard the investigation was going on at Sorel. That was the first.

Q. Did you hear it before that time?—A. Never.

Q. Never before that time?—A. It was never mentioned to me.

Q. I see. But did you hear of it from any other source?—A. I heard of it when the investigation—

Q. No, before that?—A. Never—no, sir.

Q. Never heard of it? And when was that investigation?—A. I think last winter.

Q. Just this last winter, or a year ago?—A. Perhaps it began a year ago.

Q. 1906?—A. I know it was going on quite a long time before I ever heard of it.

Q. Before you heard of it? Then you knew the result of that in a general way?

—A. I knew the result of it when I read the report.

Q. You read the report yourself: then since that report was made has the same system continued of depositing cheques to his own personal banking account?—A. No, sir.

Q. Eh?—A. No, sir.

Q. When was that changed?—A. That was changed this spring at the beginning of the fiscal year, 1908-9.

Q. And how are they deposited now?—A. Each man receives his cheque, each man on the pay-list receives a cheque instead of money.

Q. I see. So that cheques are made out by the department in the names of the persons who should receive them?—A. Yes.

Q. And the moneys do not pass through your hands at all in any way?—A. The cheques do.

Q. And that is all, that is the change that has been made?—A. Yes, that is the change that has been made.

Q. And about what was the amount annually for five years before that time of the cheques that came to Mr. Boucher, two or three hundred thousand dollars a year?

—A. No, not so much as that.

Q. How much?—A. I think the largest appropriation we had for construction was for \$150,000 or \$160,000.

Q. That is in one year?—A. That is in 1905.

Q. In 1905?—A. Yes.

Q. I see.—A. Perhaps a little more. I would not be positive of the exact amount.

Q. That is all right. Then apart from construction purposes what amounts did you receive?—A. Buoy service.

Q. About how much is that annually?—A. Our appropriation for that is generally between \$30,000 and \$33,000 a year.

Q. And have the cheques heretofore been sent in the same way as that, payable to the order of Mr. Boucher?—A. Cheques used to come to the order of Mr. Boucher.

Q. Yes; for that buoy service?—A. Yes, for the—

Q. Yes. You have said yes?—A. Yes, that is right.

Q. That is all right, for payment of the buoy service. And what other cheques came?—A. Montreal Agency.

Q. How much were these?—A. Very little.

Q. About how much?—A. I suppose the appropriation is about seven or eight thousand dollars a year.

Q. For what purpose is that?—A. That is paying the rent, light, telegraph, telephone, employees and office furnishings, and so on.

Q. And you have got an account of all that, showing the application of the moneys?—A. Yes, each party received a cheque.

Q. How much do you get?—A. Very little.

Q. Yes. Well, I could find out by looking at the record.—A. I have no objection in telling you,—\$1,100 a year.

Q. Yes, \$1,100 a year. Mr. Roy was about there very often?—A. I beg your pardon.

Q. Was Mr. Roy about the office often?—A. What Roy?

Q. Roy, the superintendent?—A. Oh, no, very seldom.

Q. Ernest Roy?—A. No, he was down at Sorel.

Q. I know he was in Sorel. But I say, was he in the office often?—A. Well,—

Q. Just yes or no.—A. No, he was not in the office. He may have come in once or twice or three times during the season's work. That is all I would see of him.

Q. Then what portion of the time did Mr. Boucher spend here?—A. Well, he would—

Q. All the time?—A. No. He would go down to Sorel two or three times a week, that was during the construction.

Q. During the construction, I see. And Mr. Tremblay, is that the second man, Eugene Tremblay?—A. He was clerk in the office.

Q. But he was superintendent?—A. No, Roy was superintendent.

Q. You mentioned three names.—A. Tremblay, yes, he is clerk in the office.

Q. You spoke of him being superintendent.—A. No, Roy and Basinet.

Q. I know. But you mentioned three names.—A. Yes, sir.

Q. Roy, Basinet and Tremblay?—A. Yes.

Q. You said they were superintendents at different periods?—A. No.

Q. The men who received the moneys?—A. Yes, Tremblay used to receive cheques. Instead of sending them to Mr. Basinet, if he was not there we would send them to Mr. Tremblay, he used to handle them.

Q. Then would the cheques be sent payable to the order of Tremblay?—A. No, to the order of the superintendent.

Q. I see. That is either Roy or Basinet.—A. Yes.

Q. And then was Mr. Basinet there often?—A. No, he comes up very seldom.

Q. Very seldom. Now, let me see the book, please. (Book produced.)

Mr. WATSON.—I do not want to go too much into the system, my lord, but it is necessary to get on the edge a little bit to see as to other matters. That is the point.

Q. Give me September, 1905, and let me see the cheques that were received and the application made of them in that month.—A. September, 1905—I was not in charge of the books then. They may be here, though. It was a Mr. Alfred—

Q. Never mind who it was. Let me see the entries in the book.—A. There is an entry (indicating).

Q. What date is that?—A. This is the 21st of June.

Q. I did not say anything about June at all.—A. September. Here you are. There is no 25th September. There is the 22nd.

Q. I did not say anything about the 25th September. I said the month of September, 1905. Let me see the record of the moneys received and paid out in that month.—A. I could not tell you from the book.

Q. Look at the book and see the date of September, 1905.—A. Well, here it is. Here is September 16th, that is for Lake St. Peter construction.

Q. 1905?—A. Yes.

Q. Lake St. Peter construction. What is the amount received?—A. That cheque was \$3.90.

Q. Cheque received from whom?—A. Ottawa.

Q. \$3.90?—A. That was paid to the man there.

Q. How do you know it was?—A. That is his account.

Q. But I do not want the individual account. I want the account between the department and this office.—A. (After referring to book). There you are.

Q. September. Taking that month the first item there is, 'Received September,' what is that, 15th?—A. 15th.

Q. September 15th. 'Received \$4,548.40'—A. Yes.

Q. That is right. Now, can you tell in what way that was paid?—A. Well, you see, I would have to look up the pay-list. That would mean September 16th, the 1st to the 16th of that month, that would be the half of that month, for the pay-list.

Q. That was received by cheque, I suppose, was it?—A. Yes.

Q. Well, now show me in the book that you said contained a true record, how that \$4,548 was applied?—A. That cheque was sent to Sorel.

Q. Where is the entry in the book showing the application of that money?—A. That is the only entry we have of that cheque.

Q. I see. Well, how can you tell how that cheque or the moneys represented by it were applied?—A. It was in payment of the pay-list from the 1st to the 16th September.

Q. The 1st to the 16th September, 1905; that is all you know about it?—A. That is all I know about it.

Q. Well, did you get the pay-lists?—A. I was not in charge, this is not mine (indicating).

Q. That is not your writing?—A. No.

Q. Where were you at that time?—A. I was in the office, but I had nothing to do with the books.

Q. What were you doing? You were assistant manager?—A. I was——

Q. Assistant agent?—A. Assistant agent.

Q. Well, of course, as assistant agent you would be, in a way, partly responsible for these things?—A. No, I was not accountant then.

Q. Who was accountant?—A. Mr. Alfred Leroy. He is now in Ottawa.

Q. What does he do there now?—A. He is in the accountant department. I don't know exactly what he does, but he is there.

Q. Then, you do not know anything about that?—A. No.

Q. Then when did you start, what date did you start?—A. 1906. Let me just turn over and I will be able to tell. There (indicating).

Q. That is where your writing comes in, March 31. That is this fine lady's hand?—A. Not very nice, is it?

Q. Very nice, I think.—A. I don't think so.

Q. Too good for a law office.

Hon. Mr. CASSELS.—Too good for \$1,100, you think.

Mr. WATSON.—Yes.

WITNESS.—You get more by looking here (indicating).

Q. Well, that is what I want to get. What have you got here?—A. Every cheque that was received.

Q. Why don't I get it here, too?—A. I say this is a continuation of that.

Q. I know that, man.—A. I don't profess to be——

Q. Hold on, hold on. Just pick out these then. May 16, \$506.61?—A. Yes.

Hon. Mr. CASSELS.—What year?

Mr. WATSON.—1906, my lord.

Q. What was that, a cheque?—A. A cheque, yes.

Q. How do you know it is a cheque?—A. Because there is the official number, 14252.

Q. You have that right. That was received?—A. That was received.

Q. What was done with that cheque?—A. Sent to the parties who repaired the—

Q. Sent to the parties?—A. Yes.

Q. Well, one cheque would not be sent to the parties. What was done with the cheque itself?—A. That was the repairing of scows, the men on construction.

Q. Just keep your mind to the question. What was done with that particular cheque of \$506.61?—A. That cheque was sent to Sorel with the other cheques to pay for the repairing of scows.

Q. That cheque was sent to Sorel. You say that, do you?—A. Yes, sir.

Q. Or was it deposited in Mr. Boucher's personal account?—A. Oh, no.

Q. How do you know?—A. The only cheques deposited in Mr. Boucher's personal account were cheques made to his order.

Q. How do you know that was not made payable to his order?—A. That was for repairing scows.

Q. That is construction?—A. Construction, yes.

Q. Repairing scows?—A. To give you full particulars of that I would have to look up statement 159 of that year.

Q. I see. But you think that that cheque would be sent itself to some one. To whom?—A. To the superintendent of works.

Q. Then he would apply it?—A. He would apply it.

Q. Then you must have had a great deal of confidence in him?—A. It was the system carried on.

Q. Was he appointed by the Montreal office or by the department?—A. He was appointed by Ottawa.

By Hon. Mr. Cassels :

Q. What is the object of sending these cheques to Montreal instead of direct to Sorel?—A. Because all the pay-lists remain here of record, my lord.

By Mr. Watson :

Q. Well now, did you see the pay-list representing that amount?—A. I must have.

Q. How do you know you must have?—A. Because they pass through my hands to go to Ottawa.

Q. Well, where is the record you have made, vouching for the accuracy of the application of that money?—A. The pay-list itself is a voucher.

Q. But have you made any record in any books showing that you have vouched its accuracy?—A. I would have to refer to the pay-lists.

Q. For that?—A. Yes.

Q. Otherwise you would not?—A. No.

Q. I see.

By Hon. Mr. Cassels :

Q. You get the pay-lists returned, showing, apparently, how this disbursement of money is made?—A. Yes.

Q. That is your record?—A. This amount on this is entered on a statement that goes to Ottawa. Ottawa examines it and sends us a cheque for the amount.

By Mr. Watson :

Q. Now, show me the moneys during that month that were deposited to the account of Mr. Boucher. Show me the cheques, or rather the reference to them.—A. I could not by memory do it now.

Q. Well, were there any? Look at those months of March and April, would any of those moneys go to his own personal account?—A. There may have been cheques deposited to his own personal account, but I could not swear to it.

Q. But these were all repairs, just the same as that one which you say did not go to his account. How do you distinguish?—A. Well, if the cheque came in his own name he would endorse the cheque and either draw against that cheque or send down the cheque endorsed, so that the superintendent could cash that cheque at Sorel and pay the men.

Q. I see. Then he may have deposited all these cheques to his own account?—A. Oh, no.

By Hon. Mr. Cassels :

Q. What record have you of the date upon which that cheque you have been talking of went on to Sorel, or what represented the cheque?—A. I have the date here, my lord.

Q. You have the date in that ledger?—A. Yes, my lord, May 16th.

Q. What is there to show that was sent on to Sorel the same day? Have you any record to show when it was sent on?—A. No, I have no record to show that the cheque was sent on at a certain date, but I have got the date of the cheque and the official number of the cheque.

Q. You have the date of the cheque, but the cheque may have remained in Montreal a fortnight before it was sent on?—A. The cheque was made in Ottawa..

Q. I understand that. But it was made payable to the order of the office here?—
A. Yes.

Q. Well, that cheque may have remained in Montreal, or the proceeds of the cheque, and not been sent on, for say a week.

Mr. WATSON.—Or a month.

By Hon. Mr. Cassels :

Q. Is there any record to show when that was remitted to Sorel?—A. No, I could not swear to the date when the cheque was sent after its reception, but I can swear to this: the money was forwarded immediately, because I knew the men were waiting for their pay.

Q. I am only asking if there is any record?—A. No, no record, my lord.

By Mr. Watson :

Q. Here is May 16th, what is that entry? That is the date of the receipt of the cheque, is it not?—A. No, May 16th is the date of the statement that went to Ottawa.

Q. What is this? I thought this was the cash account?—A. No, this is the construction work. All these cheques came in the name of Mr. Boucher.

Q. I know that. May 16th, repairing of scows. That you say then, is the date of the receipt of the account?—A. No; May 16th is the date of the sending of the statement with that account to Ottawa.

Q. To Ottawa?—A. Yes.

By Hon. Mr. Cassels :

Q. Now where is the next date showing the receipt of the cheque for that?

By Mr. Watson :

Q. The next date, the date of the cheque is June 1st.—A. That is when the cheque was received.

Q. That is the date of the cheque?—A. The date the cheque was mailed. Generally we receive them the next day.

By Hon. Mr. Cassels :

Q. That reached you on June 2nd?—A. Yes.

Q. Now, what is the next credit your book shows as to the cheque or the proceeds of that cheque being forwarded to Sorel?—A. I have got nothing to show.

By Mr. Watson :

Q. You have got nothing at all?—A. No.

By Hon. Mr. Cassels :

Q. The next is you got the account sent back to you from Sorel receipted?—A. When I send a cheque or money to Sorel, I send a receipt with it, and they return me this receipt.

Q. Then you have these receipts?—A. Yes.

Q. Then the receipts would show when it came back?—A. Yes.

By Mr. Watson :

Q. Can you say whether there ever was an occasion when you did not get receipts for the full amount of the cheques that went to Sorel?—A. I cannot say.

Q. Eh?—A. I couldn't say.

Q. Do you recollect such an occurrence or occurrences?—A. That I do not get a receipt for the amount I sent?

Q. Yes. That occurred frequently, did it not?—A. It may have occurred, but that was on account of neglect in the office at Sorel, their not returning me the receipts.

Q. I am not asking that. It frequently occurred that you did not get receipts?—
A. Immediately, but I asked for them afterwards and got them.

Q. Do you undertake to say quite positively, that in every case, sooner or later, you got receipts according to the pay-list?—A. To the best of my knowledge I got the receipts.

Q. Then why did you accept the receipt of the local officer at Sorel instead of the receipt of the men themselves, why did you do that?—A. Because I did not pay the men.

Q. I did not ask you that. Of course you did not pay the men if you were here and the men in Sorel. Why did you accept the receipt of the officer at Sorel instead of asking for the receipt of the men who were to get the money?—A. It was the Sorel office who got the receipts from the men and I would get a receipt for the amount of the cheque from the Sorel office.

Q. That is what I am pointing out, that all you got was a receipt from the Sorel office?—A. Yes.

Q. I see. So you do not know anything about the application of the moneys?—A. Not personally.

Q. You do not know whether the men ever got them or not?—A. I hope they did.

Q. We all hope they did. But your course or system there did not call for any receipts by the men themselves?—A. No.

Q. No, that is the position. Well, that is a very loose system, is it not, so far as the system is concerned?

By Hon. Mr. Cassels:

Q. Was this list or pay sheet sent from Sorel to your office?—A. Yes, my lord.

Q. Then you remitted that pay-list to Ottawa?—A. I received all the pay-lists.

Q. The lists would come from Sorel to you?—A. Yes.

Q. Of wages due, and that you would forward to Ottawa?—A. Yes, I would make out the statements here.

Q. One moment. And that would come back from Ottawa with a cheque?—A. Yes.

Q. Now, after you received it from Sorel had you any means of checking whether these accounts were rightly due or not?—A. I beg pardon, my lord.

Q. From Sorel they send you a list, which on its face would show the wages due. Amounting to so much. Now, had you in your Montreal office any means of checking whether these accounts were rightly due or not?—A. Yes, your lordship.

Q. You had that?—A. These accounts and this pay-list were certified by the two men, the superintendent and the resident engineer.

Q. That is at Sorel?—A. Yes.

Q. But outside of their certificate had you any means of ascertaining whether they were rightly due?—A. No, my lord.

Q. You took them for granted on the certification?—A. Yes.

Q. Then you forwarded them to Ottawa?—A. Yes.

Q. Then the cheque came back?—A. Yes.

Q. Then you sent a cheque on and took a receipt from Sorel?—A. Yes.

Q. That is the whole course?—A. I kept track of the cheque in my book.

Q. I understand you trusted the honesty of the men at Sorel?—A. Yes.

Q. And if they chose to pocket the money and send a false receipt that is between them and Ottawa according to you?

By Mr. Watson:

Q. Then you never got a receipt from the men themselves?—A. Not for the pay-lists.

Q. Not for the pay-lists, I see.—A. Well, may I make a statement, Mr. Watson?

Q. Yes. Don't make a speech.—A. I would be very sorry to make one. All the pay-lists are sent beforehand by the men; the time-keeper keeps the time. He has three lists, and the clerk of the office at Sorel has all the men's time down before the pay-lists are made, they are paid fortnightly and he goes on the works and gets these men to receipt, if they have 10 days at so much a day the men put them down, and the original and the triplicate come to me, and I keep that with the signature.

By Hon. Mr. Cassels :

Q. You do not get any signed by the men themselves?—A. The account is sent beforehand.

Q. These receipts vouch for the accuracy of the charges?—A. Yes.

Q. What Mr. Watson wants to know is this: you receive these pay-lists which you ink absolutely honest because the men certify them?—A. Yes.

Q. Then you forward the list to Ottawa and get a cheque?—A. Yes.

Q. And send it to the Sorel department?—A. Yes.

Q. You do not know whether the men ever receive that or not?—A. No.

Q. You took it for granted?—A. I took that, I did not know personally.

Q. That is all we want to know?

By Mr. Watson :

Q. Then, do you personally look after that, or does Mr. Boucher also look after?—A. Look after what?

Q. What we have been speaking of now, moneys coming in and being paid out. A. I personally look after these.

Q. So you are responsible for that portion of the work in the Montreal office?—Yes.

Q. I see.—A. Of course, he is agent.

Q. He is agent. You do the correspondence?—A. Partly.

Q. Now then, is it a fact that sometimes the money, the proceeds of the cheque held here for a month, two months or three months?—A. Not to my knowledge.

Q. Not to your knowledge?—A. No, sir.

Q. What record do you keep of personal cheques issued by Mr. Boucher—A. I do not keep any personal record; he keeps them himself.

Q. Where does he keep them?—A. He has his own—I don't know how he keeps them. I don't know what cheques you refer to.

Q. When he deposits a cheque of the department to his own credit in his own bank account how do you ever know if it comes out or not?—A. I know when he draws against that amount he has deposited he gives me the cheque and I send the cheque to Ottawa.

Q. You do not send the cheque to Ottawa?—A. I mean to Sorel. I am mistaken here.

Q. But where is the record you keep of his cheques given to you?—A. I have got record of that. That cheque is not made out in my name.

Q. I know it is not. The record of his account of his payments to you?—A. I have got no record.

Q. Let me see a record of the cheques that have been deposited in his own account. You were not sure about these, about some others you have better knowledge, I think. Just turn to them, please.—A. Well, the cheques that he received the beginning of each fiscal year from Ottawa for his advances—

Q. Never mind.—A. That is deposited in his—

Q. I am not talking about that at all.—A. Really, Mr. Watson, I could not give you any cheque or any amount that Mr. Boucher deposited in his own name. I know that he has made deposits of the cheques because he had made advances.

Q. Never mind. You have repeated that about fourteen times. You made advances—

By Hon. Mr. Cassels :

Q. What do you mean by his making advances. I do not understand.—A. I beg your pardon.

Q. (Repeats question).—A. Well, up to this year, your lordship, Mr. Boucher used to receive an amount perhaps of \$2,000 or \$3,000 from Ottawa, and that cheque was made out in his own personal name. That cheque he deposited to his own name at his bank.

Q. Yes.—A. And when the pay-list came due very often the men wanted their money. He would take the pay-list and he would pay the men that were on that pay-list with that amount he had at his credit at the bank, and when the cheque was returned from Ottawa he remitted the cheque so as to keep—

Q. That would not be making advances. That would simply be disbursing money he had in his hands to pay on account of the department.—A. That is what I understand.

Q. You use the word 'making advances.'—A. Making advances of the money.

Q. It is not advances; it is a distribution of the money?—A. Well, I am—

Q. I know. It goes down here. It looks as if he were a beneficent person paying out his own money.

Mr. WATSON.—Advancing money for the department.

By Hon. Mr. Cassels:

Q. You do not mean that. You mean he was distributing money he got at the beginning of the year?—A. Yes.

By Mr. Watson:

Q. Take the next page, what is that?—A. Lake St. Peter Curve lights. That is the number of the cheque, 4,000.

Q. 847?—A. Yes.

Q. What was that for?—A. That was to pay the men who worked at these lights there, the Lake St. Peter Curve Lights. We keep each separate account. Now, this statement 16 will show you what they were for.

Q. I see. Now, where are the large cheques?—Take this one, September 30th 1906, what is that, some pier?—A. Gentile, \$2,005.25.

Q. Was that cheque deposited to his credit?—A. I could not say.

Q. Can you show me any cheque you know is deposited to his credit?—A. I could not show you any cheque in particular that was deposited to his credit.

Q. The chances are they all were.—A. I beg your pardon. They could not have been.

Hon. Mr. CASSELS.—Is there any date in these books showing when Boucher got this general credit which he put to his own account?

Mr. WATSON.—No, my lord.

Q. Is there?—A. No, I think he keeps that in his own personal—

Q. Personal account.

Hon. Mr. CASSELS.—It appears as if he was put in funds at the beginning of the year.

By Mr. Watson:

Q. Show me an entry of the amount received by him at the beginning of the year?—A. It is not entered there.

Q. Where is it?—A. That was his own personal affair. He received a cheque from Ottawa and he entered that in his bank book or his own private account.

Q. How much?—A. I could not say.

Q. About how much?—A. The year before last he received, if I mistake not, may be wrong, it may be \$3,000.

Q. At the first of the year?—A. The fiscal year; and at the end of the fiscal year he returns that and—

By Hon. Mr. Cassels:

Q. But he may have had that money for months before he paid it?—A. He may have.

Q. That is the point Mr. Watson is trying to get at.

By Mr. Watson :

Q. What did he receive the money for?—A. To pay the men when the pay-list came to the office instead of waiting. Ottawa would be sometimes a month, or two months, then he would pay the men.

By Hon. Mr. Cassels :

Q. From the credits received at the beginning of the year which he disbursed during the year. Meanwhile he had the money in his private account?—A. Yes.

By Mr. Watson :

Q. That is before the money was earned?—A. Before the money was earned.

Q. I see. That is advanced by the department?—A. Yes.

Q. Then have you no record of these?—A. No, Mr.—

Q. Then how do you know the books are correct? They are not correct if they do not contain these items?—A. The books are correct so far as sending the pay-lists to Ottawa and the receiving of the cheques—

Q. Oh, that pay-list.—A. This is only supposed to contain that.

Q. Only the pay-lists. Where is the book for the receipts and disbursements?—A. It is all here.

Hon. Mr. CASSELS.—If you assume everything to be honest, an accountant with the private account of Mr. Boucher, and those books and the pay-lists, could see whether the money was paid or not. It would require an accountant to do it.

By Mr. Watson :

Q. That is right, is it?—A. If what?

By Hon. Mr. Cassels :

Q. It would require an accountant to find out first all moneys that came from Ottawa during the year either to Mr. Boucher's credit or paid direct, then by taking your books and seeing the total disbursements an accountant could find out whether they tallied with the amount spent.—A. Yes, my lord.

Q. Assuming honest payments?—A. Yes, my lord.

By Mr. Watson :

Q. A very expert accountant.—A. Not necessarily. The statement gives every cheque ever sent. I could make it up, all the moneys.

Q. How can you make it up?—A. Not from this book, but I could take my statements and every statement shows the amount of the cheque.

Q. Then, listen. You can make up such a statement, can you?—A. Yes, sir.

Q. Then you cannot make it up, of course, without Mr. Boucher's private account?—A. That I would have to refer to him.

Q. Has he got that account?—A. I suppose he has. I don't know.

Q. Have you ever seen it?—A. His personal account in the bank?

Q. Have you seen the personal account of moneys received by him and paid out by him?—A. I know—

Q. Had you seen the account?—A. No, Mr. Watson.

Q. You do not know whether there is any account or not then. Now, where is the other class of entries in the book?—A. I will show you now, the moneys that—take the Bell Telephone Company—

Q. Never mind the Bell Telephone Company. We do not want telephone accounts. Give us something besides telephones.—A. Shall I give you the buoy service?

Q. Something substantial. The telephone account is only some matter of \$30 to 40 a year, I suppose.—A. Here is Labelle's account.

Q. Who is that, your brother?—A. No relation. That is not my name anyway.

Q. Oh, I beg your pardon. This is an account kept by them, these are hardware merchants?—A. Yes.

Q. Where?—A. Sorel.

Q. Well, I don't want an individual account of merchants; I want another account showing the receipt and disbursement of money by your office.—A. I will give you—

Q. You showed me the pay-list account. You said there were other accounts. Let me see them.—A. Now, here is the account of the buoy service.

Q. The buoy service. Well, this is just the wages' account, is it?—A. Yes.

Q. Nothing else in that?—A. Just wages. Now, individuals who had business in the buoy service, their accounts are in this book under their own name.

Q. Is there anything else in this except the payment of wages in connection with the buoy service?—A. No, sir.

Q. Show me another class of account?—A. Here is an account (indicating).

Q. I do not want an individual account.—A. That is not an individual account, it is the board bills.

Q. The board bills?—A. Board bills for construction. Mr. Roy used to have this before, now Mr. Charland has it.

Q. Now, the board bill for construction, you keep the board bill account, do you?—A. Yes, they come in to me.

Q. I see, you keep the account?—A. Yes, sir.

Q. That is from Sorel?—A. Yes.

Q. What comes in to you?—A. These accounts are made out at Sorel now.

Q. Hold on, now.—A. I have to tell you.

Q. Just answer the question. They come in from Sorel. Who sends them from Sorel?—A. The Sorel office.

Q. Who sends them from Sorel?—A. The Superintendent of Works or the Resident Engineer

Q. Yes. Have you any knowledge as to whether they are right or wrong?—A. According to the pay-list they are right.

Q. Oh, I did not ask you that. Have you any knowledge whether the lists are right or wrong?—A. I could not tell you if they are right or wrong. I have to take the certificates of the Superintendent.

Q. They are just the same as the other pay-lists.

Hon. Mr. CASSELS.—He gets the pay-list signed by the men.

By Mr. Watson:

Q. And that is all. What is done with the money?—A. Sent direct to Mr. Charland.

Q. To him; and he has the application of that?—A. He has a contract with the government to feed the men on the boats.

Q. Eh?—A. He has a contract with the government to feed the men on the boats at so much per day.

Q. At so much per day. Then you do not know whether they are right or whether they are wrong. Now when it has been reported, as you know, that moneys were misapplied, that Mr. Roy and some of those other persons that you have referred to retained part of the moneys, did not apply them, you knew of that?—A. I have heard of it.

Q. You have heard of it. Well, why didn't you find out about those things as they were going along?—A. I never heard of them until it was all over, I never heard anything until I heard the report.

Q. I see. You never knew the door was unlocked until the horse was stolen?—A. That is right. I had no means of knowing.

Q. I see. Did you continue sending money to them afterwards in the same way?—A. No, Mr. Roy was removed.

Q. When was he removed?—A. The following year, I think.

Q. And what about Mr. Charland?—A. Mr. Charland took Mr. Roy's place for the feeding of the men.

Q. Oh. And is he in the office now?—A. Yes, sir. I never heard any complaint against him.

Q. Do you know whether he has complained against Mr. Boucher, that Mr. Boucher was interested with Mr. Roy in these speculations?—A. I heard he was a witness in the investigation against Mr. Boucher.

Q. And others the same way, the same with Mr. Tremblay?—A. Yes, I read the report.

Q. I see, two or three others?—A. Yes.

Q. Then, did you seek to trace up in your books the entries of the moneys that Mr. Boucher was said to have misapplied?—A. No, sir.

Q. You never did that?—A. No, sir.

Q. Did you ever receive any instructions from Mr. Boucher about that?—A. I never did, I never spoke to him about that.

Q. About seeking to trace them up to show he was right?—A. Never. That was before my time at any rate.

Q. It was after, only a year ago?—A. 1905.

Q. And 1906?—A. Well, that was before I took charge of this.

Q. I see. You never got any instructions about that?—A. Never. I never knew these accusations, except I heard of those investigations going on at Sorel, but I never knew what it was about. I never asked him and he never told me.

Q. Well, that is quite an unsatisfactory book, I think, don't you? Have you got any other one?—A. It is personally satisfactory to me, because I can trace everything in this book I want to trace.

Q. I see. Have you got another one?—A. I have some statements.

Hon. Mr. CASSELS.—He has his receipted pay-list which would correspond.

Mr. WATSON.—Yes.

Q. What are these (indicating)?—A. These are statements.

Q. Then, you have your receipted pay-lists in the office, have you?—A. There are the statements that go to Ottawa (producing). These are the third copies of all that are sent up to Ottawa.

Q. All of what?—A. Of anything that was sent.

Q. What kind of thing that you sent?—A. Any account, we sent two copies of the account and kept one, we sent two statements.

Q. And these are copies of the statement of account that are sent from time to time?—A. Yes, Mr. Watson.

Q. To the head office?—A. Yes, sir.

By Hon. Mr. Cassels:

Q. Do you keep copies of your pay-lists?—A. Yes, my lord.

Q. Are they there?—A. No, I have not them here. They are in file at the office.

By Mr. Watson:

Q. What is that other file?—A. This last year, and there is the file for this year, this is the beginning of the fiscal year.

Q. Is Mr. Boucher still acting as agent here?—A. Yes, sir.

Q. I see. That is all you have here. What do you mean for instance, take this statement; Boucher, U. F., that is Mr. Boucher, is it?—A. Yes. This is a pay-list of the Montreal district Buoy Service. He is the buoy engineer.

Q. I did not ask you what he was. I am asking you what the entry is?—A. That is every account, and here is the pay-list to pay the wages of the men and officers on board the *Shamrock*, with the board bill, and here is the pay-list of the other boat that is with him, the *Acetylene*.

Q. That is just the character of the entry.

By Hon. Mr. Cassels:

Q. Will you let me look at the lower one, (indicating file).—A. Yes, my lord, I will send it to his lordship).

By Mr. Watson:

Q. Where is the bank book?—A. I have not got any.

Q. Where is the cheque book?—A. I have got none.

Q. Where is the cash book?—A. I have got none.

Q. And where is the ledger?—A. The ledger? This is the only ledger I have this is the only one I was told to keep.

Q. I see. That is the only one. Well then, it is not too much to say that the system might easily lend itself to acts of dishonesty if people were so inclined?—A. I—yes, sir, but for that there would have to be a conspiracy.

Q. Why a conspiracy?—A. All the officers would have to be interested.

Q. All of what officers, including yourself?—A. Well, I should think so.

Q. Including yourself. But you have no personal knowledge at all about what done with the money except that it goes to Sorel?—A. I am speaking—you asked me if that—

Q. If that system might not easily lend itself to acts of dishonesty?—A. I do not see.

Q. A dishonest list.—A. If the lists were made here it might, but the lists are not made here, and I do not see how that could be done without the office at Sorel and the office at Montreal were in conspiracy.

By Hon. Mr. Cassels:

Q. I suppose Mr. Boucher could put that money in his pocket and clear out?—That your lordship—

Q. And the fault was first the making of the cheque payable to his order, and second, Boucher paying it to his own account instead of to a special trust account he is bound to do under the Act.—A. That has been the habit ever since the agency was established.

Q. Well, it is within the Criminal Code, putting the money in jeopardy.

By Mr. Watson:

Q. Then did you have to do with the correspondence between the head office at Ottawa and your office?—A. I saw all the letters either coming in or going from Ottawa.

Q. Either coming or going from Ottawa?—A. Yes.

Q. Were you there in October, 1904?—A. No, Mr.—

Q. You were not there then. Were you there in June, 1905?—A. Yes.

Q. June, 1905?—A. Yes, I think I was there.

Q. Now then, I see a copy here of that date, June the 5th, 1905, saying: 'I enclose herewith three accounts for the expenses of Mr. Roy. The department does not propose to pay any such sum as this. The amounts are excessive, and would not be allowed even if accompanied by vouchers. There is absolutely nothing to show that Mr. Roy ever expended these amounts. It is evident from the accounts that he was in Quebec on various occasions for which he charges full expenses, and it is also known to the department that he has been in the habit of frequently living either on the *Alpha* or some other government steamer. As these accounts have been certified by you I should be glad to know why Mr. Roy is placed on a different footing from any other employee of the department, and given an allowance per diem for sustenance, which is contrary to the Audit Act, and as far as I know, is unauthorized.' You saw that?—A. I must have seen, I don't remember anything about it.

Q. What is your personal explanation of that?—A. I could not say. I don't think I ever saw that letter.

Q. Did you know of these conditions or circumstances?—A. I have known of certain circumstances, when personal accounts were sent to Ottawa for payment, and Ottawa would write such a letter as that and ask for explanations. I don't know of that particular account, because I guess it was—

Q. Did you inquire into these matters yourself?—A. I did not do the correspondence, that came direct to Mr. Boucher.

Q. Did you inquire into these matters yourself?—A. I did not, Mr. Watson.

By Hon. Mr. Cassels:

Q. Did you have any responsibility in connection with these matters?—A. Not at that time.

By Mr. Watson:

Q. When did it begin?—A. 1906.

Q. What day, and what month?—A. It was just about the month of March.

Q. Well, let us see what correspondence we have at that time. We will pass over the other. First I find—A. Mr.—

Q. Hold on. Don't take it back.—A. I am not taking it back.

Q. The next letter is the 7th of April, 1906. Then you said you began to have responsibility?—A. I was to attend to the correspondence. Mr. Boucher used to dictate to me the letters in English and I used to write them.

Q. I knew you would come to it. 'With reference to the accounts forwarded by you'—this is April the 7th, 1906,—'in connection with the *Shamrock*, \$1,890, *Scow*, *cetylene*, \$971, and buoy service, \$1,048, for services and supplies from Beauchemin Co., Sorel, I observe your certificates "that this expenditure was authorized" I am aware that in spring it is necessary to incur certain expenditure in preparing to carry out the buoy service for the season. I would also call your attention to the letters instructing you to obtain authority before incurring expenditure. Please advise me why you did not do so in this case.' Now, what have you got to say about that?—A. We have never had anything to do with that. Mr. Boucher could explain that.

Q. You were then in a responsible position?—A. I had nothing to do with that correspondence. This came to him direct as agent.

Q. You knew about this?—A. I may have copied the letter, but I did not write or receive the letter.

Q. Now this letter was written by Mr. Gourdeau?—A. Yes.

Q. Now why was this expenditure incurred without authority? That is what it says.

Hon. Mr. CASSELS.—Who is that letter addressed to?

Mr. WATSON.—The agent of the Marine department, Montreal, my lord.

Q. Now why did that go on, incurring expenditure without authority?—A. There ought to be an answer to that letter, Mr. Watson.

Q. Well, I should think there ought to be. I am not asking you about that. I am asking you why was this done without authority?—A. I don't know.

Q. Well, was it usually done without authority, incurring expenditure?—A. No. Generally we have to be authorized for any expenditure.

By Hon. Mr. Cassels:

Q. Who gives authority to expend? Did it come from Sorel or pass through the office here?—A. Our office.

Q. It came from your office?—A. Yes.

Q. So no expenditure should have been made without authority?—A. To a certain amount no expenditure was made without authority from Ottawa. When they expended any amount we received a letter from Ottawa telling us.

Q. But that authority would come from Ottawa to you?—A. Yes, my lord.

Q. And then before the work is done in Sorel they have to get your authority to do it?—A. Yes, we would transmit.

Q. In this particular case the authority seems to have been usurped by the Sorel people.—A. It looks like it.

Q. You gather that from the letter?—A. Yes.

By Mr. Watson:

Q. Just the same thing again here, April the 7th: 'I observe the accounts rendered by you in statement 139 from'—what is the name?—A. Bourgouin.

Q. 'for cedar buoys, \$983, for anchors from N. F. Patenaude, \$264. Please advise me why you did not ask the department for authority to incur this expenditure before ordering the same.' Just the same sort of thing. Can you explain these things?—A. There are letters there to explain if the answers were given.

Q. You cannot explain that?—A. This was in 1906. I know that there were letters written in explanation, but Mr. Boucher was the one. He used to authorize those purchases, and naturally he would know those were not right.

By Hon. Mr. Cassels:

Q. I know. But what is objected to is this: you sent forward accounts which you vouched. Now, you received an account for expenditure which has not been authorized by your office. Why do you forward it to Ottawa as if it were correct instead of finding out on what authority the work was done in Sorel?—A. The work would be certified.

Q. Certified that it was done, but the authority must emanate from you. You would know the work was not authorized, from the account.—A. There is a general order with this account or letter attached. I think if you examine Mr. Boucher on that he will be able to explain those things.

By Mr. Watson:

Q. We want to know what you know about it. That is the reason for calling you first. You are the assistant and accountant.—A. I have not anything to do with that correspondence. Where there was anything to be ordered for the buoy service this was entirely with the buoy engineer.

Q. Then did you see any correspondence with the Auditor General, did that come to your knowledge?—A. I may have seen letters.

Q. Did you during 1906, I want to know?—A. I don't remember if I did or not, Mr. Watson.

Q. That would be important correspondence, would it not?—A. It would be, I don't remember if I did or not.

Q. You don't remember. Well, I just wanted—A. I have my routine, my daily work to do. I haven't time to look into each letter. I didn't know what I was going to be examined on.

Q. Hold on, don't talk so much. For instance on the 17th November, 1906, see if you know anything about this. This is a copy of a letter from the Auditor General to the Deputy Minister: 'I beg to bring to your notice the following pay-lists which have been sent to me in support of labour payments made during last year in connection with lighthouse construction work on the St. Lawrence river to point out they are not receipted by the men to whom the various amounts thereon should have been paid. The cheques in payment on these pay-lists were, as you are aware, made payable to the order of Mr. U. P. Boucher, agent for the department at Montreal, and I have to request you will cause to be sent to me the proofs of payments which this officer of the government obtained from the men to whom payment was made.' Then there are a whole lot of cheques running from \$700 up to \$4,900?—A. I remember that correspondence.

Q. Well, what about it?—A. That was for 1905. Of course I had nothing to do—

Q. This is 1906?—A. The letter is dated 1906, but it is for last year's.

Q. Dated 1906?—A. But they asked for accounts of the last year.

Q. You are right.—A. And all the pay-lists of that year were sent up to Ottawa that we could possibly put our hands on, and we have never seen them since—they went to the Auditor General. I was in the office then and had to do as I was ordered, or asked to do—I was not in authority.

Q. Eh?—A. I was not in authority.

Q. And did you do things that were not regular?—A. Never.

Q. What?—A. No one ever asked me to do an irregular thing, and I would not have done it either.

Q. Did you make any expenditure yourself personally?—A. No, sir.

Q. Eh? Not at all?—A. Well, sometimes we have to buy things for the office if we are short of paper or ink or pens.

Q. Oh, yes.—A. I have no authority to make any purchases except things—office furnishings that we run short of.

Q. I see. Then do you have communications with Mr. Gregory of the Quebec office?—A. Not at all except correspondence sometimes for lighthouse service.

Q. What?—A. Some lighthouse service, seeing the lighthouse keeper.

Q. Did you send any moneys there?—A. No.

Q. Have any moneys or cheques been sent from this place to the Quebec office?—A. Not from my knowledge since I have been there.

Q. Might any be without your knowledge?—A. No, sir.

Q. Ever any cheques received by your office from the Quebec office?—A. Yes.

Q. What for?—A. To pay lighthouse keepers salaries. They asked me to do that as a favour for them, not knowing their address. There are five or six lighthouse keepers right around here and they come to me for their cheques. That is a favour, I am not obliged to do it, they ask me to do it as a favour.

Q. Then, apart from the office supplies, what other purchases are made through your agency?—A. Through the agency here in Montreal?

Q. Yes.—A. There are the purchases for the buoy service.

Q. Yes. You spoke of an appropriation of \$30,000 to \$33,000.—A. Something like that, I would not be sure of the exact amount.

Q. Purchases?—A. That includes the whole payment of the men.

Q. But I am asking you about purchases?—A. Purchases include buying of cedars, coal, carbide, anchors, chains, wire rope.

Q. I see. Cedars.—A. Cedars? Yes, for buoys.

Q. Who makes these purchases?—A. The order is given by the buoy engineer, either Mr. Chatigny or Mr. Boucher, those who are in charge directly of the buoy service.

Q. Have you anything personally to do with these purchases?—A. No, Mr. Watson. I received the accounts, that is all.

Q. After the purchases are made?—A. Yes, sir; the accounts come to me.

Q. And where are they paid, from this office?—A. From Ottawa.

By Hon. Mr. Cassels:

Q. I do not see the object of having this office at all in connection with Sorel. Why could they not deal directly with Ottawa?—A. The buoy service is directly with Montreal.

Q. I know. They might have done away with the Montreal office altogether and transacted the business with Ottawa, that is the bulk of the transactions.—A. All purchases for the buoy service are issued by the Montreal office.

Q. I know.

By Mr. Watson:

Q. Yes, I know. But his lordship is inquiring why the Montreal office exists at all. Why is not everything done from the Sorel office?—A. I could not say. Because they have the agency here.

Q. Yes. Because it is not so.

By Hon. Mr. Cassels:

Q. They might deal directly with Ottawa.—A. Sorel has nothing to do with the buoy service.

Q. No.

By Mr. Watson:

Q. Of course it has not. Then the purchases in that way only amount to about how much, \$10,000 to \$15,000 a year, or more?—A. Well, the appropriation of \$33,000 is not exceeded.

Q. I did not ask you that.—A. It might be \$10,000 to \$15,000 a year.

Q. That is what I want to know. And you have nothing to do with these purchases?—A. Except sending the accounts to Ottawa and receiving the cheques.

Q. Have you any knowledge or not as to whether the accounts are correct, the prices are right or wrong?—A. The prices are always submitted. We know exactly before the account what they are going to charge for cedars.

Q. I did not ask you about that at all. Have you any personal knowledge as to whether prices are correct or whether they are excessive?—A. I have personal knowledge the prices are correct for those purchases.

Q. Eh?—A. I know the prices for those purchases are correct.

Q. For what purchases?—A. For the buying of supplies for the buoy service.

Q. How do you know?—A. Because prices are quoted beforehand.

Q. Quoted to whom?—A. To the office. Now, if they want to buy anchors we apply to Ottawa and the seller states his price.

Q. What do you apply to Ottawa for?—A. To be authorized to buy.

Q. Yes.

By Hon. Mr. Cassels:

Q. Mr. Lebel, all you say up to the present moment is this, that the amount paid corresponds with the amount asked, but do you know whether the amount asked is the reasonable and fair market rate?—A. Well, my lord, I do not know if it would be the fair market rate, but the prices are known in Ottawa before the prices are made.

Q. We understand they are submitted to you before they are sent to Ottawa?—A. Yes.

Q. Then they may be submitted to you at double more than ought to be paid?

By Mr. Watson:

Q. I asked you, do you know whether they are fair and reasonable, or excessive prices?—A. I know that they are fair prices because there is competition in mostly all the articles that are bought.

Q. I see. That is the only way. You have no personal knowledge apart from that?—A. No.

Q. Then how much is allowed off accounts by these people who sell, when the settlement is made?—A. What do you mean?

Q. Exactly what I say?—A. Well, I don't understand.

Q. I want to know how much—you buy goods from a man, say Brown.—A. Yes.

Q. Then when it comes to settling how much does he allow off that?—A. To whom?

Q. To any one?—A. I never heard of it.

Q. What?—A. I never heard of anything being taken off an account that we received for buoy service.

Q. What understanding is there?—A. I never heard of any. I know nothing of what you refer to, Mr. Watson.

Q. Anything of that kind ever come to your information or knowledge?—A. Not to my knowledge. I mean the account would come to me for the full amount. They are sent to Ottawa for the full amount, and I received a cheque for the full amount.

Q. Where does the discount come in?—A. I never heard of any.

Q. Why didn't you get a discount?—A. Who, me?

Q. Yes; as agent. Why didn't you get a discount when you paid cash, why didn't you get a discount off the proper amount?—A. For my own personal benefit or the benefit of the government?

Q. I did not say anything about your own personal benefit. Why didn't you get any discount?—A. I never heard of getting any discounts since employed by the government.

Q. That is why I am asking you. Why have you never heard of getting any discounts?—A. I have yet to know what a discount is. I have trouble enough to get my salary.

Q. That is what the Civil Service Commissioners say, that you do not know of discounts.

By Hon. Mr. Cassels:

Q. Mr. Watson wants to know this: An outsider paying cash would get an allowance off for cash. Why is not that allowance given to the department?—A. I never heard of any.

Q. You are asked why not. Were they ever asked for it?—A. The accounts are made out.

By Mr. Watson:

Q. You never asked for a discount or allowance?—A. No.

Q. Or reduction in price?—A. Never.

Q. And in what proportion of cases is there competition?—A. Oh, I could not say.

Q. A good many without competition, is not that so?—A. There is a certain line of goods that only certain people furnish.

By Hon. Mr. Cassels:

Q. Have you got a direction from Ottawa which persons you are to buy from?—Yes.

Q. Have you got that list?—A. We have a patronage list.

Q. Call it whatever you like. Have you the list here?—A. No, I haven't it here.

Q. You can get it?—A. It is the general patronage list. There is Mr. Bourgouin, Overhill & Livermount, Wright & Lewis Brothers, those are some of the ones that are on the list before.

By Mr. Watson:

Q. Then you make your purchases from the people whose names appear on that list?—A. Yes.

Q. But do you ever advertise from this office?—A. Never. The advertising is done from Ottawa and they send us the specifications here, and those who intend to order come to the office for the specifications with the explanations.

By Hon. Mr. Cassels:

Q. Then the competition is among those on the patronage list?—A. Yes, my lord.

By Mr. Watson:

Q. And do you sometimes just send to one or two, and not send to the others on the list?—A. When anything—

Q. If you cannot answer that question—do you sometimes pick and choose out of those on the list to whom the order shall be sent?—A. I cannot answer that.

Q. You cannot answer that question?—A. No, because I do not give the order.

Q. No, but do you send soliciting tenders, or soliciting offers?—A. No, the people come to the office when they see the advertisement in the paper.

Q. See what advertisement in the papers? I have not yet heard of any advertisement in the papers?—A. For tenders.

Q. That is from Ottawa for a large contract. I am speaking about your own purchases here, the purchases that you make from this office are not advertised from the Ottawa office?—A. No.

Q. Well, we will confine ourselves to this office, the purchases here. When you want to buy cedar, what do you do?—A. There are only two parties from whom you

can buy cedar. There is either Sir Henri de Lotbiniere and Mr. Bourgoûin. Those are the two.

By Hon. Mr. Cassels:

Q. What is the peculiarity of the cedar for the buoy service?—A. They require to be of a certain length and quality, and so many inches at the butt, and so many inches at the small end, and in the spring of the year when they require this it is very hard to get, and only these two firms are in a position to furnish them.

Q. They have to cut them to these dimensions, is that what you mean?—A. Yes and these parties——

Q. One moment. Do you mean these are the only two on the patronage list who can furnish them to those dimensions, or are you speaking of the whole country?—A. I am speaking of these two on the patronage list.

Q. Yes. But is it not the fact there are others in the same business who would be able to do it if you went to them, but who are not on the patronage list?—A. I could not speak as to that.

By Mr. Watson:

Q. Here on this list. There is the list for lumber, that would cover it?—A. Yes.

Q. There are eight or ten names. I do not see their names on that under the heading of 'lumber'.—A. This was the general list. We do not buy any lumber at all.

By Mr. Perron:

Q. Cedar is not lumber?—A. No. Just for the buoy service; they are round.

By Hon. Mr. Cassels:

Q. Cedar would not be lumber, just cedar logs?—A. Just cedar logs, just round cedar logs.

Q. They do not pass through the mill to be cut up.

Mr. WATSON.—Then that is the course pursued. And then does it occasionally happen that the lowest does not get the order?

By Hon. Mr. Cassels:

Q. Are you speaking now of any particular class of buoys, do you refer to the buoys?—A. To spar buoys.

Q. To the buoys in the lower St. Lawrence?—A. No, the buoys between here and Quebec, Montreal district.

Q. Yes.

By Mr. Watson:

Q. Well then, what have you to do in your office with Mr. J. F. Fraser?—A. There has been some correspondence between Mr. J. F. Fraser when he was in charge of the lights at Prescott. I do not know of anything particular that we have had with Mr. J. F. Fraser of late. There has been correspondence between Mr. Fraser and our office with reference to buoys.

Q. Yes.—A. But I am not in a position to remember.

Q. What has he to do with the matter of expenditure in your office?—A. Nothing.

Q. Eh?—A. I don't remember ever receiving an order from Mr. Fraser, for any expenditure from J. F.

Q. Has he made recommendations in regard to expenditure?—A. I could not answer that question without looking through the correspondence. I do not remember not to my knowledge.

Q. Have you any knowledge of any such?—A. No, Mr. Watson.

Q. What have you to do with Mr. Merwin and Mr. Brooks?—A. I don't know anything of Mr. Brooks. I know two or three years ago Mr. Merwin sent in an account for some buoys that he had furnished, but I could not give you the details now.

Q. Have any contracts been made with him through your office?—A. No, Mr. Watson.

Q. None at all?—A. No.

Q. Of any kind?—A. No.

Q. Have you made any purchases from him?—A. Not to my knowledge.

Q. Or from Mr. Brooks?—A. Not to my knowledge.

Q. What has Mr. B. H. Fraser to do with your office indirectly?—A. Mr. B. H. Fraser looks after the construction and carries out the instructions of Colonel Anderson for the building of piers.

Q. I see. Then the superintendents you have referred to are under his personal direction?—A. Yes.

Q. That is right, is it?—A. That is right.

Q. I see. He is the superintendent of those men, and he is the chief officer for the labouring men who get paid?—A. He is the chief, he is the acting chief engineer of the works.

Q. That is what I mean?—A. On the works.

Q. And he is brought in personal contact with all those men?—A. I don't know if he is brought into personal contact with the labourers, but I know he is brought in contact with the superintendent of the works. He goes and visits the works. I believe he is down there now.

Q. I see. Then does he make any reports to your office?—A. He corresponds with our office from his own office when he has got any directions or instructions to give the superintendent at Sorel.

Q. Do you mean the correspondence is through Mr. Boucher and not direct?—A. Yes.

Q. Why does he not correspond directly?—A. Because Mr. Boucher goes down to the works.

Q. I thought Mr. Fraser goes down to the works.—A. He goes down also.

Q. I see.

By Hon. Mr. Cassels:

Q. That is between here and Quebec?—A. Yes, at Sorel, Lake St. Peter.

By Mr. Watson:

Q. Then cheques are sometimes payable to him?—A. To whom?

Q. Mr. B. H. Fraser?—A. I never saw his name on a cheque.

Q. Did you not?—A. Not to my knowledge, not in my time.

Q. Then do you know of any personal transactions, I mean to say money transactions between Mr. Fraser and Mr. Boucher?—A. I don't know of any.

Q. Eh?—A. I don't know of any. I don't know of any.

Q. Did Mr. Fraser go over those pay-lists with you at any time?—A. No.

Q. Did you ever recommend pay-lists?—A. No.

Q. What about it, that is a weak sort of 'no'?—A. No, I was just trying to recollect any instance where he might have spoken to me about the pay-list.

Q. Yes, that is what I want to know.—A. I know he has written to us about some accounts which he did not find correct.

Q. Yes.—A. Because the accounts for construction when they go to Ottawa there are certain accounts that are submitted to him, to see if they are correct or not, and if proper vouchers or full explanations are not given for certain entries of account he will write and ask what they are about, and then we inquire and answer him. I have known that. I was trying to recollect and tell you that that is the only connection that I have with Mr. Fraser.

Q. But have you sought information from him from time to time about the correctness of the pay-list, the wages being paid to the men?—A. No, never.

Q. Have you never?—A. Never.

Q. Why have you not?—A. Because when the pay-lists come to me they are made up and certified.

Q. Have you ever seen them certified by him?—A. No, he never certifies them, he never certifies them.

Q. Did Mr. J. F. Fraser ever certify to accounts?—A. No, I never saw Mr. J. F. Fraser's name on any account; I saw it on a letter.

Q. What has Mr. Chatigny to do with money matters?—A. Mr. Chatigny is the assistant buoy engineer.

Q. Yes, what has he to do with money matters?—A. When the cheques for the buoy service come to me I remit them to Mr. Chatigny and he pays the men.

Q. Oh, I see.—A. And he gives me a receipt on the pay-list signed by the men.

Q. I see. So he gets the money?—A. No, he gets the cheques.

Q. Whose cheques?—A. The men's cheques, each man.

Q. Payable to his order?—A. No, each man on the pay-list receives his cheque.

Q. Well, that is recently?—A. Yes.

Q. That is a good enough system. Nobody would object to that. But before that was the money paid to him, Mr. Chatigny?—A. The cheque used to come to Mr. Boucher.

Q. How did he get rid of it?—A. He endorsed the cheque and gave it to Mr. Chatigny.

Q. And then do you know what Mr. Chatigny did with it?—A. Paid the men.

Q. But you have no personal knowledge about that. Did he receive the money to much extent in that way?—A. Just the amount of the wages of the men.

Q. Well, that is a very considerable amount?—A. Certainly it is, and he is here himself.

Q. Oh, he is here. You thought he was out. So he will have to answer himself in respect to that. Then apart from the matters that have been referred to in connection with the receipt of cheques, and the banking of them and so on, have you knowledge of any other irregularities in the office on the part of Mr. Boucher and yourself?—A. I have got no knowledge of any irregularity. I do not admit there was any irregularity that I know of.

Q. No, not even in regard to that, you did not admit it?—A. And personally I do not know of any, your lordship.

Hon. MR. CASSELS.—You do not want the word 'other' in the question.

MR. WATSON.—He does not admit any irregularity of any kind.

WITNESS.—Not to my knowledge. But if you ask me personally I say I do not know of any.

Q. I see. You would know if you got a cheque payable to your own order to be applied in payment of wages of some men, you would know that it was wrong to deposit that cheque to your own account and mix it with your own moneys, wouldn't you?—A. I—

Q. There would be no question about that?—A. I don't know, Mr. Watson. I don't like to surmise or think if it is right or wrong. I cannot go and make insinuations which I don't think are correct.

Q. Well, that will do about that part of it. Have you any knowledge of the Sorel office, and of the handling of moneys there, do you ever go down?—A. I have no business there whatever, I was only there once in my life.

Q. What complaints have been made to your knowledge against any one else in the office than Mr. Boucher?—A. I never heard any.

Q. You never heard any?—A. I never heard that any one ever made any complaints against Mr. Boucher to me.

Q. No, no. Apart from complaints against Mr. Boucher, you have heard of, you have heard of those, have complaints been made against any one else?—A. I have never heard, Mr. Watson, they have never complained to me.

By Hon. Mr. Cassels:

Q. Is the system still in force of sending money to Mr. Boucher at the beginning of the year?—A. He received this year a smaller amount than previous years on account of their paying the men now in cheques instead of money. Then there is no outlay in paying men.

Q. Then the cheque goes direct to the men's order?—A. Yes, my lord.

MR. WATSON.—Well, I think that will do, Mr. LeBel. Then in the morning we will have Mr. Boucher and Mr. Chatigny, my lord, and following upon that Mr. Merwin will be in attendance.

HON. MR. CASSELS.—We had better adjourn then to the morning.

MR. WATSON.—Yes, if your lordship pleases.

(Adjourned at 4:25 p.m. to 10:30 a.m. to-morrow, October the 8th.)

Commission resumed at 10:30 a.m., Thursday, 8th October, 1908.

MR. LEBEL.—Your lordship. I wish to make a request to come into the box again on the same evidence as yesterday, to add something to what I then said.

HON. MR. CASSELS.—Certainly. Go on. What is it you want to add?

MR. LEBEL.—I want to add, my lord, that within the last three years there was an inspection by the officers of Ottawa made at the agency of the Department of Marine and Fisheries, which examination was favourable. I wish to add also, my lord, that I was examined last year before the Civil Service Commission for two hours in the box, and I gave them the whole recital from the inception of the foundation of the Montreal Agency up to the present date. There was nothing brought up against the Montreal Agency on the floor of the House last year, although there were a great many accusations brought against other agencies. I hold it for granted the reason nothing was brought against the Montreal Agency is that the Commissioners found nothing, nor the inspectors.

There is another matter, my lord. When I spoke to you about Mr. Chatigny paying the men yesterday, your lordship may have understood that Mr. Chatigny was a resident of Sorel: he remains upon the buoy service boats and he does the service between here and Quebec, and at the end of each month when he comes up I receive a pay-list, these men are written for their pay, I transmit him the cheques and he gets the receipt from the men, but he gives me his receipt for the amount.

The *Gazette* this morning has a very unfavourable report of my testimony, which I ask, as a matter of justice—

HON. MR. CASSELS.—You see, Mr. LeBel you are not going to be judged by the morning papers.

MR. LEBEL.—I may suffer.

HON. MR. CASSELS.—I don't think you are brought in question. How do you account for this: if they had these various inspections which you speak about and the various evidence you talked of, how do you account for the whole system being changed of late to one much more regular?

MR. LEBEL.—The inspectors, those who were in charge to change the system, came to the office and instructed me what to do, and I received instructions from Ottawa to change the system as soon as they gave me notice. These parties had travelled from Montreal to the Lower Provinces, and when they returned to Ottawa I was to receive official instructions. I have not received them yet, my lord.

HON. MR. CASSELS.—But what I refer to is the evidence given yesterday, that at the commencement of the year a certain sum of money would be placed in the possession of Mr. Boucher. Now that money being placed by him in his own bank account, in the meantime, if he was speculating in stock or anything of that sort, he

was risking that money because the bank would take it to wipe out any adverse balance. And then in regard to the pay-list for the men that cheque would be sent, the pay-list would come from Sorel, it would be certified by the men that the amount credited them was correct. That list would come on to your department at Montreal, it would be remitted on to Ottawa, Ottawa sending a cheque down to your office, then, instead of sending that money direct to the men it was sent to the responsible official in Sorel. You took it for granted it was properly paid out, and I understand you never received any complaints.

Mr. LEBEL.—I never received any complaints. That is not the whole story in the *Gazette*.

Hon. Mr. CASSELS.—Not the whole story of yesterday.

Mr. LEBEL.—I know the reason they have done this, but I don't think I should be made to suffer for incorrect reports made by the newspapers.

Hon. Mr. CASSELS.—You have given your explanation now.

Mr. LEBEL.—Thank you, my lord.

Mr. WATSON.—I will call Mr. Chatigny.

ALBERT CHATIGNY, sworn.

By Mr. Watson:

WITNESS.—I would like to give my testimony in French.

Mr. WATSON.—Well, I would much prefer, Mr. Chatigny, that you would give it in English.

Hon. Mr. CASSELS.—You can speak English well enough. It is only cumbering the record, you know, to give your evidence in French if you can speak English.

WITNESS.—I would rather give it in French.

Hon. Mr. CASSELS.—Put it in English and when you find you are at a loss to express yourself in English, then give it in French.

WITNESS.—I would like it anyway to be put down in French. I cannot translate after I have given my—

Mr. WATSON.—Well, Mr. Chatigny, I wish you would be good enough just to try and proceed in English, and if we find and you find you are embarrassed in expressing yourself, we will do everything possible to relieve the embarrassment to enable you to express yourself accurately and to your satisfaction, but in the meantime I wish you would be kind enough to endeavour to proceed in English.

Q. Mr. Chatigny, what position have you in the service?—A. Assistant engineer.

Q. Assistant engineer. That is assistant to whom, Mr. Boucher?—A. Yes.

By Hon. Mr. Cassels:

Q. In Montreal, Mr. Chatigny?

By Mr. Watson:

Q. In the Montreal office?—A. Yes.

Q. And how long have you been here in this office?—A. I have been here four years now.

Q. Four years in that capacity?—A. Yes, sir.

Q. As assistant engineer. Any other capacity?—A. No, always the same.

Q. And before the commencement of that term or period were you in the Civil Service?—A. I was one year before this.

Q. In the Montreal office?—A. No, I was on the Lake Winnipeg survey.

Q. Oh, yes. Well, that is quite a distance off. And that is your Civil Service life, is it?—A. Yes, that is all.

Q. And you are a certificated engineer?—A. Yes.

Q. What have been your duties in the office?—A. I do—well, the buoy service between Montreal and Platon.

Q. Montreal and Quebec?—A. No, Montreal and Platon. That is a little above Quebec.

Q. The buoy service. Do you mean that your services have been limited to that work?—A. Yes, that is all.

Q. Nothing outside of that at all?—A. Nothing outside of that at all.

Q. Nothing at all?—A. Nothing at all.

Q. Do you mean to say you have not been called upon to perform any special or extra work in connection with other matters?—A. Well, occasionally I have surveyed lands that we have had to buy to build lights, that is all.

Q. That is all?—A. Yes.

Q. Now, just define shortly what your duties were in connection with that service, what is that buoy service.—A. What do you say, please.

Q. What were your duties in connection with that service? You were in charge of the buoys between those points—what did you have to do?—A. In summer I make an inspection of the river here every week to see if the channel is right for the steamers from the harbour to go up; and in winter—well, I supervise repairs to the gas buoys and other kinds of work and repairs to ships that we use in the summer.

Q. Repairs to ships?—A. Yes.

By Hon. Mr. Cassels:

Q. Is that lightships?—A. No, the buoys.

By Mr. Watson:

Q. How many buoys are there between here and Quebec?—A. 275.

Q. Between here and Platon?—A. Yes.

Q. 275?—A. Yes, about.

Q. They are comparatively short distances from each other then?—A. Well, they are sometimes, but between some we have some something like eight miles.

Q. And others are as close as?—A. We have buoys on two sides of the river.

Q. At some place within half a mile, perhaps not.—A. Yes. It depends on the part.

By Hon. Mr. Cassels:

Q. The winding of the river.—A. In Lake St. Peter they are very near one another because it is not broad and not very deep. In other parts—

By Mr. Watson:

Q. Just as you have mentioned. Lake St. Peter—did you have anything to do with the piers in Lake St. Peter?—A. No.

Q. Nothing at all?—A. Nothing at all.

Q. Never called upon to examine and report?—A. No, that is outside my branch together.

Q. Yes. Now then taking it in order, in the summer time you say you would go up and down the river once a week to make an inspection?—A. Yes.

Q. For what purpose?—A. To see that the channel—that the buoys in the channel are in the right position so that steamers can leave the port safely.

Q. How would you go up and down? In a special tug for yourself?—A. A special tug, yes.

Q. I see, a departmental tug?—A. The steamer *Shamrock*.

Q. Eh?—A. The steamer *Shamrock*.

Q. Oh, you use the *Shamrock*?—A. Yes.

Q. I see. So that that was partly in your command and direction, the *Shamrock*—practically all the summer?—A. It is under the command of Mr. Boucher, I am only an assistant.

Q. I know, but under your use, limited to your use.—A. Limited to the buoy service.

By Hon. Mr. Cassels:

Q. Did Mr. Boucher inspect with you?—A. Yes, I generally make the first inspection and he comes afterwards to supervise if everything is right.

Q. These buoys are taken up in the winter—in the fall?—A. Before the winter.

Q. And are they taken to Sorel?—A. Yes—well, not all. Some, where it is more easy to place them—some in Three Rivers, most in Montreal.

Q. Then in the spring you replace them?—A. Yes.

Q. After that you see they are kept in proper order and in their proper place?—A. Yes.

By Mr. Watson:

Q. That is the point.—A. Yes.

Q. Well, are they apt to get out of place or out of order?—A. Well, when they would put them there they are a little out of order after—

Q. Oh, yes, but did you put them in order before you replaced them?—A. Yes, during the winter.

Q. Then once they are replaced during the early spring they are not likely to get out of place and out of order?—A. Yes, out of place and out of order.

Q. Do they?—A. Yes.

Q. Then Mr. Boucher accompanies you sometimes on the river?—A. Yes.

Q. Usually you go alone?—A. No. Well, as I said, I make the beginning of the week the first trip going down and generally Mr. Boucher comes down and we go up together.

Q. Then you take a fleet with you?—A. We have only one boat.

Q. I see. And a staff of employees?—A. We are 15 men in the *Shamrock*.

Q. 15 men. Now then that has been your duty during the summer for the last four years?—A. Yes, sir.

Q. In connection with the performance of that duty what expenditure occurs, if any, under your directions?—A. Well, do you mean the whole appropriation?

Q. No, I mean exactly what I ask, if you will just think of it. What expenditure of money is in your discretion or direction?—A. Well, I am authorized only for small purchases and in cases of emergency.

Q. Small purchases and emergency matters?—A. Yes.

Q. Purchases for what purposes?—A. Well, for instance, we are short of axes, well, I buy them. We break a cant-hook.

Q. Eh?—A. If I break a cant-hook I buy one, or a screwdriver, or anything like that.

Q. That is a comparatively small matter?—A. Yes, small matters.

Q. Then what other kind of expenditure do you incur during the summer?—A. That is about all, what concerns the ship.

Q. What concerns the ship?—A. Yes.

Q. That is, do you make the provisions for the ship—I mean to say do you make purchases of provisions for the ship?—A. No, no, only in cases of emergency.

Q. Well, there would be no emergency about that?—A. About feeding, do you mean?

Q. Yes.—A. That is given by contract to Mr. Boucher.

Q. Given by contract?—A. Yes.

Q. To Mr. Boucher?—A. Yes.

Q. Mr. Boucher is the agent?—A. Is the agent and the buoy engineer at the same time.

Q. Do you mean by that Mr. Boucher lets the contract, gives out the contract to some one?—A. No, I mean Ottawa allows Mr. Boucher a certain sum by the month for each man, to feed them.

Q. A certain sum for each man?—A. Yes.

By Hon. Mr. Cassels:

Q. You say he is put in the position of captain of some of these boats?—A. Yes, starting with all the tugs on the river, and all the dredges.

Q. He takes a lump sum per head. If he stints the men he can save money; if he wants to feed them well he is out of pocket?—A. Yes, he feeds them well.

By Mr. Watson:

Q. I see. Just in connection with that, and as applied to matters here, what is the allowance per head, if I may use that expression?—A. We have 60 cents a day for officers, and 50 cents a day for sailors.

Q. I see. It does not seem to be very much out, perhaps. I do not know how things go down the river, 60 cents a day for officers and 50 cents a day for the workmen—the crew?—A. Yes.

Q. I suppose the extra ten cents is for a little luxury now and again. That is all right. And that being so, you have nothing to do with that?—A. No.

Q. Except to make purchases?—A. No, I don't.

Q. You did make the purchases?—A. No, I did not bother with that.

Q. They are provisioned here at Montreal?—A. Well, I suppose here in Montreal. I think he leaves that to the cook, and he buys.

Q. Never mind. You need not guess if you do not know. I won't pursue it if you have no personal knowledge. I meant by my inquiry if you take any part in it at all?—A. No, it is not government business and I never bother with that at all.

Q. Then your total expenditure during the summer would only be a matter of perhaps \$400 or \$500 or so for incidentals, repairs and the like, can you tell?—A. It must amount to perhaps between \$100 and \$150 per month.

Q. \$150 a month?—A. \$100 to \$150.

Q. And you make these purchases just where you have the opportunity, I suppose, or you happen to be, or do you make them from any one source?—A. From different sources.

Q. Do you get directions from whom you are to make those purchases?—A. Well, we have a patronage list and I generally divide it. For hardware for instance, I take it to three places, four places.

Q. So you use that list and then distribute the purchases that you make?—A. Yes.

Q. That is done in your own discretion?—A. Well, with the patronage list.

Q. Yes. Of course that patronage list you speak of—A. It is not altogether my own discretion, because I follow the custom that was done when I came in. I mean the dealers we had in that time I continued to buy from.

Q. I mean in the distribution you follow your own discretion?—A. No, I kept those we had when I came in.

Q. Yes, you have a certain patronage list?—A. Yes.

Q. You do not purchase outside of that?—A. No.

Q. But in purchasing within that list you use your own judgment from which one you shall buy, do you?—A. No. As I say when I came in we used to buy from four of them, so we continued to buy from them.

Q. I know. But say you were at Montreal here and wanted to buy \$100 worth of tools or what you require upon the vessel or ship, you would use your own judgment as to whom you went to make that purchase from?—A. Certainly.

Q. Yes. You did not quite gather what I was referring to. You would use your own judgment. Then I suppose you would let them know that you had used your own judgment and given them a little preference?—A. No. As I said, I divide it, I give an order to one, the next order would be for the other, and all the time in turn like that.

Q. I see. But did you let them know from time to time that you were giving them a little preference?—A. I tell you that two of those where I buy I do not know at all.

Q. I see. What do you mean by you do not know them?—A. I have never seen them, I never went to the store.

Q. But how would you buy if you did not go into the store?—A. I give a written order to one of my men, the mate, and say 'Go and see what tools you need and anything.'

Q. Then the mate would go and he would buy perhaps at double the price he ought to. How are you going to regulate that?—A. No. Every article I buy is specified by its name, a wrench, and of course they cannot overcharge because the price is in the catalogue.

Q. The price is in the catalogue?—A. Yes.

Q. Oh, I see. Have you knowledge of the prices before your man goes?—A. Yes, I always have the catalogue before me, take the name of the article, for instance, if it is a wrench, I say Wescott wrench or a Stilson wrench, 10 inches long.

Q. Then do you make any examination of the account afterwards to see whether or not the price agrees with the catalogue?—A. I always do.

Q. You do yourself?—A. Yes.

Q. Personally?—A. Yes, because I have to sign that before I send it to Ottawa.

Q. Then in that way all these purchases you made, say from \$100 to \$150 a month, they are made at retail prices I assume?—A. They are made at the catalogue price.

Q. I know that is the catalogue. That is distributed for retail purposes, is it not?—A. Well—

Q. Well, let me ask you this—A. I know that two of those houses—I am sure we have the wholesale prices when the order is over \$10.

Q. You know that?—A. Yes.

Q. How do you know that?—A. Well, I know that by the price that I know is charged in the retail stores.

Q. You do. You know that personally, that where the order is over \$10 you have wholesale prices?—A. Yes.

Q. Where it is under \$10 you do not?—A. Below \$10, well, generally not.

Q. Generally not?—A. Generally not.

Q. I see. Would it not be practicable to lay in a supply on a wholesale purchase from which you might take during the season?—A. I don't know. I never have been obliged to deal like that, because if I knew what I would need during the whole summer perhaps Ottawa would find that too much and they would make the contract themselves. I am supposed to buy only in cases of emergency.

Q. Of course there may be a question about that, I suppose, if there was a government store house there, it might be subject to be abused, I suppose, by too free a use of it, or too free a demand, the men might not be so careful with their tools?—A. If we had a store house, do you say?

Q. Yes, if you had one of your own storehouses with a supply on hand?—A. Oh.

Q. However, that is the course you pursued you say?—A. Yes.

Q. Now then what other expenditure than that do you make during the summer?—A. Well, I don't think I have any other expenditure to make.

Q. Well, you should know?—A. Except my own expenses.

Q. Well, you mean you do not have any expenses, you were travelling there on the *Shamrock*.—A. Well, travelling on the *Shamrock*, but sometimes I have to send the *Shamrock* for some place when I have business here in the office, when I go to join I take the cars.

Q. Train service occasionally?—A. Yes.

Q. Then do you pay the men that are on the *Shamrock*?—A. Yes, I pay the men.

Q. Where do you get the money?—A. The cheque comes in the office, they give me the cheque.

Q. Give you what cheque?—A. The cheque for the pay-list.

Q. Who prepares the pay-list?—A. The foreman gives the time of each man.

Q. Yes, gives it to you?—A. Gives it to me.

Q. Then how often do you make returns of that, weekly or monthly?—A. Monthly in summer, the crew does not change, it is all the same pay-list, all the summer.

Q. When you get that pay-list what do you do with it?—A. I take that pay-list—before I send it to Ottawa do you mean?

Q. I want to know what you do with it when you get it from the foreman?—A. Well, I make the pay-list and have it signed by the men.

Q. What do you mean, signed by the men?—A. They sign opposite to the amount they have marked their name, and verify the amount, and after that it is sent to Ottawa. When the cheque comes it comes to the order of, it would come to the order of Mr. Boucher.

Q. Yes.—A. And he endorsed it and I paid the men in the presence of the foreman, the foreman of the pay-list.

Q. He endorsed it?—A. Yes.

Q. Well, did you get his own cheque sometimes?—A. I always got the Ottawa cheque except—

Q. Wait, please. Now you always received the Ottawa cheque?—A. Yes.

Q. That is during the whole four years?—A. Yes.

Q. Except?—A. Except a couple of times when they made in Ottawa a cheque for the pay-list and the board on the same cheque, so Mr. Boucher had to divide it in two.

Q. Then you got Mr. Boucher's cheque?—A. Yes.

Q. I see. That is the way it has occurred. Now then, have you any personal knowledge as to whether or not the pay-list as given to you was correct?—A. I think I even can swear it is correct, because the foreman cannot falsify a list because he does not receive the money. I pay the men myself.

Q. The foreman you say might falsify the list?—A. No, he cannot, because if he did it he would have no profit by it.

Q. Why?—A. Because he does not pay the men himself, I pay the men in his presence.

Q. Do you?—A. Yes.

Q. You mean you give the money to each man?—A. I give the money to each man in his presence.

Q. So you are in a position to say then that the amount of money for that pay-list which leaves Ottawa—bear in mind, which leaves Ottawa—goes to each man?—A. Yes.

Q. Eh?—A. Yes.

Q. You are sure about that?—A. Yes.

Q. Have you known of any cases where a less sum was sent for distribution than was represented by the cheque, any changes made?—A. No.

Q. Eh?—A. No.

Q. Any corrections made?—A. Corrections from Ottawa?

Q. No, no. Any corrections made in the cheque as received here at Montreal?—A. No.

Q. What?—A. No.

Q. Have you ever known of a case of that kind?—A. No.

Q. You have not?—A. No.

Q. Then is it possible for any one to make a gain out of that course that is pursued?—A. Not in the buoy service.

Q. Not in the buoy service?—A. No.

Q. You are quite sanguine, you are quite sure about that, are you?—A. Yes.

Q. Well, you emphasise that and manifestly discriminate that from some other service.—A. Well, I don't know anything about other services, I have nothing to do with the books, so when I emphasize that it is to, well, it is only to swear that.

Q. You didn't mean it you mean?—A. I meant it only for—

Q. You meant it only as a matter of emphasis, that is what you would say now. Well, all right, I suppose you mean what you say, no doubt you do. That is the course during the summer time?—A. During summer and winter.

Q. During summer and winter with that buoy service?—A. Yes.

Q. Now then, what other expenditure do you control during any other part of the year?—A. That is the only expenditure.

Q. But during the winter time?—A. The same expenditure as in summer.

Q. The same expenditure?—A. Yes.

Q. Have you nothing to do with the construction work?—A. Nothing at all.

Q. Who looks after that?—A. There is another engineer, another assistant, Mr. Longtil, at present.

Q. How long has he been in the service?—A. Well, he has been in the service for three months now.

Q. Oh, just three months?—A. Yes.

Q. But before that time who assisted?—A. Mr. Arcand.

Q. Yes. He was at Sorel?—A. He was at Sorel with headquarters in Montreal.

Q. Headquarters in Montreal?—A. Yes.

Q. Then have you had anything to do with the Sorel office or works?—A. Well, not with the construction works. I have my own works there too for buoy service.

Q. Yes, what is that?—A. Well, we have a gas test room.

Q. A what?—A. A gas test room for gas buoys.

Q. For testing?—A. Testing buoys and lanterns.

Q. Well, you superintend that?—A. Yes.

Q. That involves expenditure?—A. Yes. That is as I said, it is about the same expenditure as in summer for tools and paints.

Q. I see, tools and paints?—A. Yes.

Q. That just continues on in that same way?—A. But not very much because we take a good lot of stock from Prescott, the Dominion Lighthouse depot.

Q. From the Prescott department?—A. Yes.

Q. And who furnishes it to you from Prescott?—A. The officer in charge.

Q. Who is he?—A. I don't think—

Q. Mr. J. F. Fraser?—A. No. We used to do with Mr. Noble.

Q. Mr. Noble?—A. Yes.

Q. Any one else?—A. Mr. Boyle.

Q. Did you have anything to do with Mr. J. F. Fraser?—A. Not personally.

Q. Eh?—A. I had nothing myself to do with him.

Q. Any business relations with him at all?—A. Not with him.

Q. Or Mr. B. H. Fraser?—A. No, nothing to do with Mr. B. H. Fraser.

Q. How was it you came in contact with Colonel Gourdeau?—A. I, myself?

Q. Yes.—A. Well, our relations with Colonel Gourdeau, his relations with me are only by letters, that is all

Q. Is that so?—A. Yes.

Q. Then what personal communications did you ever have with him in connection with expenditure?—A. I never had any communications.

Q. Never had any communications. Written communications, in what respect, what were they about?—A. Well, the only communications I had with him were relative to the change of buoys or—that is about all.

Q. I see. Then did you make any recommendations to the department or to Mr. Boucher as to proposed expenditure?—A. No, sir.

Q. You did not?—A. No.

Q. I see.—A. Well, of course, I made at the end of the year a report asking for so many anchors, and so many pounds of paint and varnish for the spring time, what I thought would be needed for consumption during the summer.

Q. Then did you have anything to do with the office here in Montreal?—A. Nothing with the books, I checked my own accounts, that is all.

Q. That is all?—A. Yes.

Q. Did you know about any other course of dealing?—A. No.

Q. Have you any knowledge of any irregularities?—A. Never heard about it.

Q. Improper conduct or acts on the part of any official?—A. No.

Q. Or gains by any officials?—A. No.

Q. Have complaints ever been made against your work?—A. I don't think so.

Q. Or criticisms?—A. I don't think so.

Q. You don't think so?—A. No.

Q. I compliment you upon your good English.—A. Thank you.

Q. That is all.

By Hon. Mr. Cassels:

Q. Mr. Chatigny, you say there are about 275 buoys between Montreal and Platon?

—A. About.

Q. How many of those are Willson buoys?—A. We have no whistling buoys.

Q. You have no whistling buoys?—A. No, only gas buoys, lights.

Q. Light buoys. How are they lighted?—A. With acetylene gas,

Q. But is it the old system?—A. If it is?

Q. Is it the old buoy?—A. We have the Pressure buoy and the Willson buoy, both systems.

Q. You know what the Willson buoy is?—A. Yes.

Q. You know what we are talking of when we are talking of the Willson buoy?

—A. Yes.

Q. You have some?—A. Yes.

Q. How many?—A. We have 18.

Q. What?—A. 18.

Q. 18?—A. Yes.

Q. And the others are what, you would classify them how?—A. That is the Pintsch system.

Q. That is the old buoy?—A. Yes.

Q. You have nothing to do with the ordering of the buoys or the payment, or the contract price for them?—A. No.

Mr. WATSON.—My lord, Mr. Merwin is here, and I had a communication that he would like to be called this morning owing to some appointments he has to-morrow, so that I desire permission to break into the regular order just for that purpose. I will facilitate him as far as I can.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—Then Mr. Merwin.

GEORGE T. MERWIN, recalled.

By Mr. Watson:

Q. Mr. Merwin, we have had some information from you before when you were in the witness box with regard to your business relations with F. L. Brooks & Co., and with two incorporated companies. You have explained that you were a partner in F. L. Brooks & Co.?—A. Yes.

Q. Yes. And that in addition to the transactions with F. L. Brooks & Company with the department, you had individual transactions in your own name, it was G. T. Merwin?—A. With the department?

Q. Yes.—A. As an agent for the other companies.

Q. Oh, not for your own personal benefit?—A. No.

Q. You mean that all accounts that appear of record in the name of G. T. Merwin were transacted by you for one or other of the two companies, that is the Safety Car-Heating and Lighting Company or the Submarine Signal Company?—A. That is the fact. I was their Canadian agent.

Q. Their Canadian agent. Then as an individual did you never have personal transactions on your own behalf with the department?—A. Never.

Q. Not on any occasion?—A. Not on any occasion.

Q. Then will you tell me why it is that the transactions and accounts do not appear in the names of the companies?—A. I cannot.

Q. Instead of in your own name?—A. I don't know.

Q. For instance you had large transactions from what you say on behalf of the Safety Car-Heating and Lighting Company?—A. Yes, sir, so called large, some people considered them large, we do not.

Q. Well, I am not speaking of that for the moment. Did you make it known that you were dealing on behalf of that company?—A. I did.

Q. And the other company, the Submarine Signal Company?—A. I did.

Q. Then why should the accounts be in your individual name?—A. I don't understand it.

Q. Did you ever understand it?—A. Their methods of doing business, I presume, I never questioned it.

Q. And did you ever try to understand it?—A. I never tried to, I never questioned it.

Q. Did you ever speak of it to any one?—A. No.

Q. Why did you not do so?—A. I did not think it was necessary.

Q. You did not think it was necessary?—A. No, sir.

Q. Mr. J. F. Fraser knew that you were acting for those companies?—A. I presume that he did.

Q. Well, have you any doubt that he did?—A. No, he knew I was acting for them.

Q. He knew you were acting for the companies?—A. That is, I suppose his department informed him to that effect.

Q. Well, that is a little different. I understood you to say you knew he was aware?—A. Well, I know that both these companies wrote the department and told them I was their accredited agent here in Canada. I presume—I will retract that that I know, I presume he was notified to that effect.

Q. You saw him practically on every occasion when an order was given?—A. No.

Q. For the most part?—A. Well, I had instructions to consult him on technical points.

Q. Did you receive your orders from him?—A. Not all of them; some of them were signed.

Q. Not all of them. I am just speaking—A. You say the orders; I say not all of them.

Q. Not all of them. Generally so?—A. Eh?

Q. Generally so?—A. I cannot say. I cannot remember how each order was signed.

Q. Any?—A. I cannot recall.

Q. But the transaction was with him in the first place, the proposal, the proposed purchase?—A. Well, I cannot say that it was.

Q. Eh?—A. I cannot say that it was.

Q. You cannot say that it was?—A. No.

Q. He was the official in charge with whom you had to do?—A. Not at first.

Q. Well, perhaps not the first week.—A. Nor the first year, I guess.

Q. You guess?—A. I guess the first year.

Q. Well, we will take the last year and then go back. During the last year he was the official with whom you had to do? There cannot be any doubt about it?—A. Not entirely.

Q. For the most part then?—A. No. The request for quotations came from the department, as a general thing they were signed by the Deputy and Mr. Fraser's assistant at Prescott.

Q. Yes.—A. And I would quote.

Q. But these originated with Mr. Fraser, you knew that?—A. No.

Q. You knew he was the Commissioner of Lights?—A. I knew he was the Commissioner of Lights.

Q. And your transactions were with that department practically altogether?—A. For the most part.

Q. Practically altogether. Well then, you surely come to it, that you knew he was the man to make the recommendations and through whom you were chiefly to deal.—
A. No, I cannot agree with you there on that point, I cannot agree with you there.

Q. You knew he was in charge of the department or branch?—A. Yes, sir.

Q. With which branch you were transacting business?—A. I—

Q. With the Commissioner of Lights branch?—A. The Commissioner of Lights? Well, he had jurisdiction, as I understood it, of the lights.

Q. Of lights. And it is in that connection your transactions took place?—A. Yes.

Q. So he was the man you would look to for orders or directions?—A. No, I cannot agree with you on that point, Mr. Watson.

Q. You cannot agree.—A. That he was the only man I was to look to for orders. He was not the only man. I was looking to the department for orders.

Q. Well.—A. To the department.

Q. Technically, I suppose.—A. Generally.

Q. That may be right. But you were soliciting orders, that was your business?—A. That was my business. I didn't have to solicit very much, because I was the only one who had some of the goods to sell. There was no one else had them.

Q. Hold on. You did not stay in your office altogether and wait for business to come to you?—A. I could not sit in my office, I had to be out all the time.

Q. You were not sitting there in your office waiting for written orders?—A. No.

Q. So you were in the habit of seeing Mr. Fraser very frequently?—A. He sends a requisition or two.

Q. That is not quite an answer. Just direct yourself as closely as you can to my questions.—A. I know, but—

Q. Were you not in the habit of seeing him very frequently?—A. No, I won't say frequently.

Q. Well, how often?—A. It might be a month between, it might be six weeks.

Q. Two or three times a week?—A. Oh, no, no.

Q. Then you sometimes solicited orders from him?—A. Not until the Willson gas buoy came into service. It was not until then that I really solicited any orders.

Q. I see. You mean before that—A. Well—

Q. Wait. You mean before that you had a monopoly?—A. Well, some things we did.

Q. I see, before that time. Now, when was that that the Willson gas buoy came into service?—A. Let me see—it must have been two years ago to the best of my recollection.

Q. Two years ago, then from that time.

Hon. Mr. CASSELS —Three years ago.

By Mr. Watson:

Q. Yes, three years ago I think it was, as his lordship points out. Then from that time you changed your policy, then you solicited orders?—A. I solicited orders for the buoy in competition with the Willson buoy.

Q. And what else did you solicit orders for?—A. That is all.

Q. Eh?—A. That is all.

Q. Nothing else?—A. No.

Q. And where would you solicit those orders from him, at what place, here or Ottawa?—A. I would go to Ottawa and see the Minister, the Deputy Minister, and Mr. Fraser.

Q. And Mr. Fraser?—A. Yes.

Q. Do you mean to give his lordship to understand that Mr. Fraser was not the chief party interviewed by you in connection with those orders?—A. Yes, sir.

Q. Eh?—A. Yes, sir.

Q. And that he was not the one with whom you had most to do?—A. He was not; I had to do with all of them.

Q. I did not ask you all of them. That he was not the one with whom you had most to do?—A. I think we could divide it up generally between the three of them, the Minister, the Deputy, and Mr. Fraser.

Q. But you do not answer my question, you know.—A. I am trying the best I can. I cannot say Mr. Fraser was the one I had the most to do with, because he was not.

Q. Then you can say that he was not?—A. I have tried to convey that idea that he was not.

Q. But it is the fact I want.—A. Well, the fact.

Q. Not the idea or the conveyance.—A. He was not the man I had most to do with. I did not have more to do with him than with the others.

By Hon. Mr. Cassels:

Q. A third with him, a third with the Minister, and a third with the Deputy?—A. That is about the size of it.

Mr. WATSON.—Well, it seems to me very extraordinary.

Hon. Mr. CASSELS.—That is what he means to say.

By Mr. Watson:

Q. Then I see transactions during those three years, 1904-5, 1905-6 and 1906-7, in your own name amounted to a large sum. How much would you say?—A. Well, I could not recall now. If you have the figures—

Q. Well, I want to know if you can tell?—A. I cannot tell from memory.

Q. \$250,000?—A. It may have gone beyond that.

Q. It may have gone beyond that. That is in your own name?—A. Yes.

Q. It might have been a half a million?—A. It was in my own name, but that was not my fault.

Q. I am not asking you about that. That was the fault of some one in the department?—A. Evidently.

Q. Evidently. You charge that as a fault.—A. Call it a mistake.

By Hon. Mr. Cassels:

Q. They should have put agent after your name, according to your views?—A. Yes. An examination of the invoices will show where the mistake is made, I think.

By Mr. Watson:

Q. And those contracts with yourself individually might have amounted to half a million dollars?—A. Not myself individually.

Q. Not \$250,000 or \$300,000?—A. You said myself individually.

Q. As an agent?—A. Yes. I want to get it, I want to have it right on the record.

Q. You have righted it two or three times over.—A. I don't want this man to get it down wrong.

Q. I hope he doesn't get anything down wrong.—A. That would not be his fault.

Q. I will take what is said correctly, anyway?—A. Well, you said individually.

Q. Then the contracts and transactions with you as an agent in your name may have amounted to \$300,000 or \$400,000 during that period?—A. Yes.

Q. And then your contracts in the name of Brooks & Co., may have amounted to as much more?—A. That is through Mr. Brooks.

Q. I am not asking that. It was not through Mr. Brooks. The contracts with Brooks & Co.—A. I have a very slight knowledge of that business.

Q. Contracts with Brooks & Co.—A. I have very slight knowledge of that.

Q. But you know about the amount?—A. Well, it would have to be guesswork with me.

Q. \$300,000 or \$400,000 would you think?—A. I don't know, I wouldn't want to say.

Q. You would not want to say?—A. No, I would not want to say.

Q. Do you think it was as much as the other transactions?—A. No, I don't think it was, I wouldn't think so.

Q. Well, we will pass it at that then. I think you said on the former occasion that as agent for these companies, take first the New York Company, the Safety Car-Heating and Lighting Company, that you were working for salary and commission?—A. I don't believe I said that, did I?

Q. Well, what did you say?—A. I was working for salary.

Q. What is that?—A. I was working for salary.

Q. Working for salary?—A. Yes, for a salary.

Q. And commission as well?—A. No.

Hon. Mr. CASSELS.—He said \$2,000 a year, if I remember rightly.—A. Working for salary and my expenses.

By Mr. Watson:

Q. What commission?—A. No commissions.

Q. Eh?—A. No commissions.

Q. Do you state that definitely and positively?—A. Yes, sir.

Q. Not on any occasion did you get a commission?—A. No; my companies never paid me commissions, they always paid me salary.

Q. Salary?—A. And my travelling expenses, whatever they might be.

Q. Well, take that company, the Safety Car-Heating and Lighting Company. That is a very large company in New York city?—A. Yes, sir.

Q. Controlled by prominent men there?—A. Yes, sir.

Q. Doing a very large business?—A. Yes.

Q. With responsible people?—A. Yes, sir.

Q. And a reputable strong firm?—A. Yes, sir.

Q. When did your relations with them begin?—A. About 18 years ago.

Q. Eighteen years ago?—A. Yes.

Q. In New York?—A. In New York.

Q. When did they begin here in Canada?—A. Well, they purchased the Canadian rights from the English company about ten years ago I believe it is to the best of my recollection.

Q. Then you began to represent them about ten years ago?—A. No, I began to represent them here about six years ago.

Q. Six years ago. And did you have transactions for them with other business people than the department?—A. Oh, yes, the railways.

Q. The railways?—A. Yes.

Q. What railways?—A. The Canadian Pacific, the Grand Trunk, the Intercolonial—all the railways running in here.

Q. All the railways running in here?—A. Yes.

Q. I see. And were you the sole agent in transactions with those railways as well as with the department?—A. Yes, sir.

Q. And you are still?—A. No. I severed my connection with them last June.

Q. This last June?—A. Yes.

Q. That was at your own instance?—A. My own instance.

Q. Your own instance?—A. My own benefit.

Q. I see. You say they purchased the rights of some other company ten years ago?—A. Yes.

Q. What company?—A. The Pintsch Patent Lighting Company, of London, England. They had the patent rights.

Q. The Canadian rights?—A. Yes.

Q. The Canadian rights of what?—A. Of the sale of this material, this equipment.

Q. Yes.—A. Buoy and buoy lanterns and car-lighting apparatus, and the manufacture and sale of compressed Pintsch gas.

Q. Well, any one could manufacture it?—A. Any one could manufacture the gas—yes.

Q. But the apparatus?—A. No; some of the apparatus they cannot.

Q. Why not?—A. There are patents on them preventing it.

Q. Some of them?—A. Yes.

Q. That was a small part?—A. Yes.

Q. It is a trifling part?—A. No, it is not a trifling part, it is an important part, some part of the apparatus.

Q. Then where were the apparatus and gas manufactured that were sold?—A. When?

Q. Where—A. When the Pintsch Patent Lighting Company had it do you mean?

Q. Yes.—A. They manufactured it all in England.

Q. And after that?—A. We made them in the United States, that is the car-lighting material we made almost all in the United States until a year and a half or two years ago, and now we manufacture some of it here.

Q. Here in Montreal?—A. That is the fact.

Q. That is for the railway supplies?—A. That is railway supplies.

Q. Limited to that?—A. Limited to that.

Q. You make them here?—A. Yes.

Q. And you have been looking after that of course yourself?—A. Yes.

Q. And that has been a large business, that manufacturing business, reasonably so?—A. Yes, reasonably so.

Q. And you had experience in that respect?—A. I did.

Q. In the manufacture of goods?—A. I won't say I had experience in the manufacture, only my connections with the business have given me some experience—I was capable of overseeing the manufacture.

Q. Yes. You have been a practical man most of your life?—A. Yes.

Q. A man of mechanical genius?—A. Thank you.

Q. And I am not excluding other genius.

Hon. Mr. CASSELS.—Genius, did you say?

By Mr. Watson:

Q. But you are familiar therefore with the manufacture of goods?—A. Yes, the manufacture of those particular goods.

Q. The manufacture of those particular goods. And the manufacture of the class of goods that was sold to the department.—A. That I was selling.

Q. You are familiar with the manufacture of all those classes of goods.

Hon. Mr. CASSELS.—He was familiar to superintend it.

By Mr. Watson:

Q. Competent to superintend it. That would include the acquiring, purchasing and use of the raw material and the completion of it, and the cost of it, and the cost of the manufacture?—A. Yes.

Q. So that you are familiar in that way with the cost of the manufacture of the goods?—A. Of the car-lighting material. We never manufactured any buoy material here.

Q. Yes, but I know you are familiar with that to a certain extent?—A. Not as to the cost to manufacture it, I cannot say that I am.

Q. You knew something about it?—A. I knew something about the material that I received.

Q. Yes. You were in the factory at New York were you not?—A. No.

Q. Where did they manufacture the buoy material?—A. That is all made in Germany.

Q. In Germany?—A. Yes.

Q. And how often were you in the German factory?—A. Twice I have been there.

Q. I see. You went through it pretty thoroughly, I understand?—A. Well, I was very much interested.

Q. Very much interested?—A. Yes.

Q. You were interested in the production of the kind and class of material and cost of it in Germany, you took an active interest in it, I understand?—A. I did not

go very much into cost; the process of manufacture is what interested me. As to the cost of manufacture, I did not go into that very deeply.

Q. Not very deeply?—A. No, I didn't bother with that.

Q. That was in Germany. What place in Germany is the manufactory?—A. Berlin.

Q. Berlin?—A. Berlin and Furstenworld.

Q. It is safe to say there was no one more familiar with that class of goods you were selling to the department than yourself?—A. Here in Canada?

Q. Here in Canada?—A. No, I don't think so.

Q. No. No one else was as familiar with that as yourself?—A. I don't think so.

Q. I see. You were the man to give information and in a position to solicit orders and get orders on the best terms for the purchaser?—A. Yes. Not the best terms for the purchaser, no, the best terms for the company.

Hon. Mr. CASSELS.—For the vendor.

By Mr. Watson:

Q. Yes, for the vendor. But you were in a position—I mean exactly what I said, you were in a position to give the best and highest class of information to the purchaser if he desired it?—A. Yes.

Q. Yes. In respect of all matters affecting the price, cost and otherwise; that is right, is it not?—A. Affecting all matters?

Q. Yes. That is perfectly broad.—A. That is a little too broad.

Q. Well you are making the statements, you are the witness, I mean. Then the accounts were rendered by you to the department?—A. Yes.

Q. In all cases?—A. Yes.

Q. Made out by you, sent in by you?—A. Well, the invoices—it was a duplicate invoice that came from New York, it was sent over to the government.

Q. But you made it out first and sent it to the company?—A. No. The invoices were made out in New York and forwarded to me and I forwarded them in turn to the government when the goods were delivered. We could not send the invoice until the goods were delivered, but the invoices were made out when they were shipped.

Q. But you communicated first with the company?—A. With my company, yes.

Q. You gave them details of the orders?—A. Yes.

Q. And the prices and cost?—A. No, I did not give them the cost, they knew that.

Q. Well, prices?—A. Yes.

Q. So that you gave them all details for composing the invoice.—A. I gave them the order for the goods as it came to me, the original order.

Q. Of course the invoice would just be made from that order?—A. Would just be made from that order.

Q. Nothing new in the invoice?—A. Nothing new.

Q. Not outside of the directions you gave them?—A. The directions I gave them were all on the order, that is all the directions that were necessary.

Q. Certainly. And you kept, as I think you said before, your records here, your books here at Montreal for each one of these companies?—A. No, I did not keep any books, they kept their own books.

Q. No, but you kept your own books?—A. The books I kept here were simply records of shipments.

Q. What?—A. Receipts of material and shipments of it.

Q. Yes, receipts and shipments. But you kept records of the orders that you received first from the department?—A. Well, the original orders that came from the department were forwarded to the New York office.

Q. You kept that of record in your office?—A. We kept a copy until the order was complete, and then the files showing the shipment and everything were forwarded to the New York office after we had completed the shipment.

Q. You did that just recently, you sent all the papers back just recently?—A. No; that was the system we employed when we started here.

Q. Yes.—A. That is the system employed when we started here.

Q. When you started?—A. When we started business here in Montreal.

Q. Now then, have you any record now of these transactions?—A. No, sir, I have not.

Q. Not at all?—A. No.

Q. Of any kind whatever?—A. Of any kind whatever.

Q. But as you said to me before, I think, the cheques were made out in your name?—A. Yes.

Q. Sent to you here, George T. Merwin?—A. Yes.

Q. Montreal?—A. Yes.

Q. Payable to your order?—A. Yes.

Q. And then those cheques were deposited in your account?—A. Excuse me, yes they were.

Q. Would you like to sit down?—A. (Witness laughs). It is getting monotonous.

Q. Yes, it may be more so. I am sorry you are tired so early. Then you deposited them to your credit?—A. Yes.

Q. In the bank. Then some time after that I suppose you would account to your principals; and I understood you to say when you were here last that you were not able to find in your office any record at all of those transactions, the cash received, the cash paid out, and not any copies of letters sent by you to either of the companies?—A. Right.

Q. Although all your letters were copied?—A. All my letters were copied.

Q. And what about the letters you wrote to Colonel Gourdeau, and the Minister, and to Mr. Fraser, were they copied?—A. They were all carbon copies kept.

Q. Where are they?—A. I think you will find them on file in New York.

Q. On file in New York?—A. Yes.

Q. But these were your own personal letters in connection with obtaining orders?—A. No, they were the property of the company really.

Q. In connection with obtaining orders.—A. The property of the company in that connection, I was their agent, all the correspondence and papers in that office were not mine, they were the company's property.

Q. Oh, I see. And when did you send them to New York?—A. When I closed with them in June.

Q. When you closed with whom?—A. The company.

Q. In June last?—A. Yes.

Q. And it was not until June last you sent those books and papers to New York?—A. All I had at present then.

Q. Then you sent them all you had?—A. At that time.

Q. Yes. That is the first you sent, the carbon copies of the letters?—A. Yes.

Q. You had never sent any before?—A. Yes.

Q. What?—A. Yes, as I told you, as the order is filled the whole file went to New York, as each order was filled the file pertaining to it when the order was closed was forwarded to the New York office.

Q. The New York office?—A. Yes.

Q. Why did you do that?—A. They wanted them for their records.

Q. Did you get a letter to that effect?—A. Yes.

Q. Where is it?—A. I don't know.

Q. Did you send back the letter?—A. I don't know, probably I did.

Q. Probably you did.—A. Probably I did not get a letter. Probably it was in conversation with my principals in New York when we started business here.

Q. Then the letters you wrote to the companies—A. Yes.

Q. I have not finished my question. Those were copies, were they not?—A. All letters were copied.

Q. All letters were copied?—A. All letters of any importance were copied.

Q. Do you mean to say now that the copies of the letters that had been written to New York were afterwards in June last sent to the New York office?—A. No, not all; all I had on file. Not all, because many had been sent in previous to that.

Q. Then why on earth would you send to them the copies of the original letters that had been previously sent to them?—A. They belonged on the file Mr. Watson, and had to go with it.

Q. But the original letters?—A. What value were they to me? They were of no value to me.

Q. I see. Then where were the payments made incident to the business transactions by the company, here and there, or altogether here, expenses?—A. Pardon me.

Q. Matters of expenditure in connection with the obtaining and execution of contracts.—A. They were paid from the New York office.

Q. Sometimes from this office?—A. No, only my incidental expenses.

Q. Only your incidental expenses?—A. Yes.

Q. All other expenses incident to the obtaining and the execution of the order or contract do you say were made at the New York office?—A. Well now I would pay freight and duty here, office-rent and taxes.

Q. Yes.—A. And fuel bills.

Q. Any other expenditures?—A. My own personal expenses.

Q. Any others?—A. Not that I can recall now.

Q. Well, where would the other expenditures be made?—A. Other expenditures be made?

Q. Yes.—A. Well—

Q. From the New York office?—A. From the New York office or by me here, and if sometimes there—well, sometimes there were accounts paid from New York and sometimes they were paid from here.

Q. Were the contracts paying, were they profitable transactions?—A. They were.

Q. How do you know?—A. I know the company is not in the habit of doing business for nothing.

Q. Then you knew they were very profitable transactions?—A. I won't say they were very profitable; I know there was a profit.

Q. You answered it frankly?—A. Oh, yes. It would be very foolish for a company to do business for nothing.

Q. I did not ask you that, you know.—A. I know.

Q. Was the company very anxious to get the orders?—A. Undoubtedly.

Q. Undoubtedly so, and you know they were making very handsomely out of them?—A. No, I won't say that.

Q. Well, quite handsomely?—A. No, I won't say handsomely, a fair profit.

Q. By that you mean, I suppose, about 40 per cent?—A. No, I think if they made 25 per cent they did well.

Q. Yes, I daresay they would do very well if they made 25 per cent. As a matter of fact do you not know that they made over 40 per cent?—A. I could not say, I do not know what the profit was.

Q. It may have been 100 per cent?—A. It may have been a thousand for all I know.

Q. That is a truthful answer, is it?—A. For all I know.

Q. That is a truthful answer I ask, is it?—A. Well, I will put it in another way. It may have been a dollar, it may have been a thousand, there may have been one per cent, or there may have been a thousand per cent.

By Hon. Mr. Cassels:

Q. You knew what the cost of one of the buoys was?—A. No, I did not.

Q. Well, you knew pretty nearly.—A. I know my lord, I will say, I can say—

Q. You practically mean that you do not know, but you assume they made a profit?

—A. I assume, yes, my lord, I assume they made a profit; I know they made a profit.

By Mr. Watson:

Q. Mr. Merwin, do you recollect, have you got in mind now that the questions I started on about your information and knowledge about the business, have you got those in mind?—A. I have that in mind, and——

Q. Wait, please. Just answer the question shortly if you can, because we will get on faster. You have that in mind, and you surely had in mind I was not asking you any foolish questions?—A. Yes, I know.

Q. But that I was asking you with a view to leading up to something afterwards?—A. Yes. I knew what you were leading to.

Q. You did?—A. Yes, and I told you.

Q. Just wait please. And in your answers you stated a considerable familiarity with the manufacture of the goods and the material, and some familiarity with the cost, did you not, yes or no?—A. Car-lighting material. Refer back, Mr. Watson, please, refer back.

Q. Yes, but others as well?—A. No, I did not. I told you that with this buoy lighting and lantern business I was in Germany twice, and went through that factory, but I never went into the cost deeply, I went into the process of manufacture.

Q. Yes, but——A. I have——

Q. Listen, don't make speeches. You are a level headed business man?—A. I consider myself so.

Q. Yes, you consider yourself so. And you go about business in a methodical systematic way?—A. Yes.

Q. Doing it intelligently as representing the company and the interests of the company, that is right?—A. As much as I can.

Q. As much as you can. And the man to do that business must have a degree of familiarity with the manufacture and cost and selling price, and the profit, is not that so?—A. No, not necessarily.

Q. Oh, well, you may have a fool as agent, and you may not have—the company may have?—A. I know, but you haven't got to have that knowledge.

Q. Some degree of knowledge?—A. A certain degree.

Q. Sufficient to do business in an accurate way?—A. Yes, in an accurate way.

Q. For the benefit of the principal?—A. Yes.

Q. And the matter of price was a question of controversy often.—A. Yes, it was.

Q. Yes, it was, I see.—A. Well, I had——

Q. Well, how could you discuss the question of price without having a knowledge of these other premises, tell me?—A. Well, my principals fixed the price on all.

Q. But it was a matter of discussion with you quite frequently?—A. Yes.

Q. What did you say about it, about the matter of price?—A. I always relied upon them to give me the correct price, the best price.

Q. Who?—A. My principals.

Q. I did not ask you that at all. You discussed prices with the people from whom you got orders?—A. Well, sometimes we did discuss the price, but we——

Q. You did not have the sole fixing of the price, did you?—A. No, but my company has.

Q. Well, did the purchaser not have something to say about it?—A. No.

Q. Eh?—A. Purchaser did not, no.

Q. Listen. Did you ever dicker as to price?—A. Oh, very often they told us our prices were too high.

Q. Yes, very often. And then you discussed it with them?—A. No. We told them there was no discussion at all. We simply told them that was the best price we could give.

Q. You never yielded?—A. We never yielded.

Q. A cent?—A. A cent. We could not.

Q. What?—A. We could not.

Q. Do you tell me you could not?—A. I told them we could not.

Q. And yet you say you do not know whether they were making a thousand per cent profit or not?—A. Well, I took this from what my principals told me.

Q. Then I gather you are a repeater?—A. I don't understand what you mean by that.

Q. You don't mean to say that you do business merely as a repeating machine without personal knowledge of what you are saying?—A. I had personal knowledge of what my principals had told me. They told me that I had to get a certain price.

Q. So up to the present time, speaking of the New York company, it has all the records in connection with these transactions at its office?—A. Yes.

Q. You have seen them there?—A. Yes.

Q. You have seen them there?—A. I will not say I have seen all the records.

Q. Well, you have seen a good many of them?—A. Yes.

Q. Sufficient to enable you to know they were there?—A. Yes.

Q. Including all records of payments and disbursements and of profits?—A. Yes. Well, no, I won't say about the profits.

Q. Well, of course they have their records of profits?—A. Their record of profits, undoubtedly.

Q. And when did you last see those books there?—A. Well, it was in the first of June.

Q. The first of June you last saw the books there. Now, the books will show whether or not payments were made in connection with these purchases to Brown, Smith or Jones?—A. Um—um.

Q. I wish you would not use that 'um—um.' The reporter cannot transcribe that. Then they have a record of the transactions there, and if moneys were paid to J. F. Fraser by them they would be of record in their books?—A. If anything was paid to him it would.

Q. It would. And if money was paid to Colonel Gourdeau or any other official it would be of record in their books?—A. If any was paid, it would.

Q. And you know yourself whether or not these matters are of record?—A. I know there are no records of that kind there on those books.

Q. How do you know?—A. Because if it had been done I think I would know something about it, and our company—

Q. Just wait, please.—A. Yes.

Q. I ask you again, how do you know that they are not of record in those books?—A. Because I say that if anything like that had been done I think I would have known something about it.

Q. Then do you swear that they are not of record in those books, yes or no?—A. I do, I swear they are not there.

Q. You swear they are not there?

By Hon. Mr. Cassels:

Q. What is not there, the books containing the entries, or the entries themselves?—A. I will say there are no entries there, of that kind, that moneys have been paid to government officials.

Mr. WATSON.—Now then, you have reached the point of swearing, and of course all your statements are positive statements, being under oath, that there is no entry in any of their books of a payment to F. J. Fraser—is it F. J. Fraser?

Mr. PERRON —J. F. Fraser.

By Mr. Watson:

Q. I do not want to mistake the initials at all. J. F. Fraser. You have sworn to that. Do you wish to withdraw that or not, is that a mistake?—A. You are tying me down.

Q. Listen.

Hon. Mr. CASSELS.—Answer the question.

By Mr. Watson:

Q. Witness, this is not child's play.—A. I know it is not, but my answer may be misconstrued.

Q. Oh, well, you are not a simpleton.—A. I know.

Q. You know what you are saying?—A. I will retract, I won't swear there is an entry of that kind there or not there.

Q. Why did you make the statement a moment ago and repeat it to his lordship?—A. I have so much knowledge and respect for that company that I know that they would not do anything of that kind, they never have done it.

Q. Is your evidence here being given as a matter of personal knowledge or a matter of reasoning, which?—A. Which?

Q. Please don't address me in that way, Mr. Merwin.—A. I beg your pardon.

Q. Is your evidence being given as a matter of personal knowledge or a matter of reasoning?—A. A good deal of it has been personal knowledge.

Q. A good deal?—A. This question you are on now is reasoning.

Q. Mr. Merwin, I don't want any reasoning, please. If you can speak from your personal knowledge, do so. If you cannot, please say so.—A. Well, to the best of my knowledge there are no records on the company's books of any moneys being paid.

Q. Then you saw the books last June?—A. Well, Mr. Watson, when you say saw the books, I don't mean I went into and examined them.

Q. But you saw the entries in the books?—A. I had no occasion to go into and examine them in that way.

Q. Did you look at the entries in the books?—A. No, I did not look at the entries in the books.

Q. Did you make any examination of the books to see whether any reference was made in the books to Mr. J. F. Fraser?—A. No.

Q. Eh?—A. No.

Q. Did you ask any one for information on that subject?—A. No.

Q. Eh?—A. No. You mean—

Q. Wait, please. Never mind what I mean. My meaning is indicated by my question. Then do I understand you to swear to the Court now that you have no knowledge or information, directly or indirectly as to whether Mr. Fraser's name appears on those books as a person receiving money?—A. I do.

Q. No knowledge directly or indirectly?—A. No.

Q. No information?—A. No information.

Q. From any source?—A. From any source.

Q. From any source?—A. From any source.

Q. And what about any other official of the department?—A. The same thing.

Q. The same thing?—A. The same thing.

Q. Has anything ever occurred to your knowledge to lead to a different impression or view?—A. No, sir.

Q. On the part of any one?—A. No, sir.

Q. You have no knowledge then of what commissions or payments were made from that company's books at the head office?—A. No.

Q. No. Who was the person there in charge?—A. Mr. D. W. Pye has charge of that department.

Q. Pye?—A. Vice-President.

Q. Who else is there in charge?—A. In that department?

Q. In charge of the business looking after sales.—A. The President, the Vice-President Mr. Pye, the President—

Q. Who is the President?—A. R. M. Dixon.

Q. And the Vice-President?—A. Mr. D. W. Pye, and Mr. Pomeroy.

Q. Where is their office?—A. The United States Express Building, New York, No. 2 Rector Street, corner of Rector and Church. No. 2, Rector, is the mail address, 17th floor.

Q. Now then, with regard to the Boston Company, have you got records of the transactions with them?—A. No, no records with them at all.

Q. When were they sent back?—A. When I severed connections with them. It was about four years, three or four years, four years ago now, I guess.

Q. You have done business with them since?—A. No, I resigned the agency four years ago.

Q. Four years ago?—A. I think it is about four years ago now.

Q. Have you not sold any goods to the government or the department for that company since that time?—A. No, sir.

Q. Who has sold for them?—A. They have sold them on their own account, I guess, I don't think they have an agency here at all.

Q. Sold them directly?—A. Yes.

Q. You have knowledge of those sales?—A. No, not of any sales since I left them.

Q. Well, you knew transactions were going on.—A. No, I can't say I did, I didn't pay any attention to it.

Q. Then during last year were you in New York at the same time Mr. Fraser was there at the company's office?—A. I have been in New York, yes, sometimes during last year.

Q. Yes, sometimes during last year at the company's office, with Mr. Fraser.—A. That is the Safety Company's office?

Q. Yes, in New York?—A. Yes.

Q. You were there how many times during last year with him? Six or seven times, were you not, or perhaps more?—A. No, not as many as that, probably three or four.

Q. Would you not say as often as six times?—A. No, I would not.

Q. It may have been?—A. It might have been.

Q. It may have been as often as half a dozen times with Mr. Fraser there at the office in New York.

By Hon. Mr. Cassels:

Q. Did he say he was with Mr. Fraser.—A. I was at the office when Mr. Fraser was there. I would like to have it put that way.

Q. In the New York office?—A. In the New York office.

By Mr. Watson:

Q. You went with him, or he went with you?—A. No.

Q. Met him there by appointment?—A. Once or twice we have.

Q. Practically every time?—A. At the request of Mr. Dixon I have come down.

Q. I didn't ask you by anybody's request. You met there by appointment with Mr. Fraser?—A. I met there by appointment.

Q. By appointment with Mr. Fraser. And during the preceding year you were there often, oftener than that by appointment with him, were you not?—A. That is going pretty far back. I cannot remember, Mr. Watson.

Q. That is only a year and a half back?—A. I am in New York every month.

Q. Probably as often with Mr. Fraser at the company's office by appointment in 1906 as in 1907?—A. Probably.

Q. And the same the year before?—A. Yes.

Hon. Mr. CASSELS.—And this year too?

By Mr. Watson:

Q. And this year too?—A. Not so much this year.

Q. Well, four or five times this year?—

By Hon. Mr. Cassels:

Q. Was he with you at the office this last June?—A. Last June?

Q. Yes.—A. I was in New York one day when he was there. I think it was May though.

By Mr. Watson :

Q. Well in May; and then you were there with him in September, last month?—
A. Last month?

Q. Yes, you met him in the company's offices?—A. No, not the Safety Company's

Q. And you met him there again this month?—A. This month?

Q. This month of October?—A. In New York?

Q. Yes, in New York?—A. Yes, I met him in New York.

Q. Yes you met him in the company's office?—A. No, not the Safety Company's office in October.

Q. No?—A. No, not the Safety Company's office in October.

Q. No?—A. No, not the Safety Company's office in October.

Q. Just try to think?—A. No. October is only 4 or 5 days old it is 8 days old.

Q. It is pretty nearly 10 days old?—A. Yes.

Q. Where did you meet him in October then, in New York if it was not at the Safety Company's office?—A. I think I met him at the Manhattan hotel.

Q. Yes. And he went with you, or you went with him to the company's office, is not that so?—A. I don't think so in October. I don't remember going to the Safety Company's office?—A. I think I met him at the Manhattan hotel.

Q. Why, it is only now 10 days old?—A. I know it. Mr. Fraser was not there when I was there. I have nothing to do, I only called there at the Safety Company's office to renew old acquaintance, that is all.

Q. I did not ask you what you were doing at all.—A. No, sir. I don't remember Mr. Fraser being in the Safety Company's office with me this month.

Q. You mean you don't remember whether he was or not?—A. This month.

Q. You mean you don't remember; that is as far as you go?—A. Yes.

Q. But during last month he was there with you several times?—A. Well, not several times.

Q. Well, I mean by several times, three times?—A. Maybe twice.

Q. Three times?—A. No, I won't say three times.

Q. Twice. When were those two occasions?—A. I cannot tell you. I did not keep a memorandum of it.

Q. Oh, no, that is only 40 days old?—A. I didn't keep a memorandum of it.

Q. I know. What time in September were you there last with him?—A. I could not tell, I don't remember.

Q. You could not tell within thirty days the time in September when you were there?—A. I could not give you dates.

Q. You could not give the dates. Well, was it the last of September?—A. I was in there the last half of September.

Q. With him?—A. No, not with him.

Q. Well, he was there at the same time?—A. No. I was in New York.

Q. He was there at the same time?—A. He may have been in New York at the same time.

Q. I am not asking that. I am asking of the two occasions?—A. I don't recall meeting Mr. Fraser in the Safety Company's office in September at all.

Q. But you have just stated he was there twice with you?—A. Maybe he was.

Q. Now, now, will you please regard your oath?—A. I know, I am trying to, but you are trying to nail me to dates, and here I am in New York on an average of twice a month and have seen him there very often. I don't deny being in the Safety Company's office with him, I don't deny it at all.

Q. With him at least twice during the month of September?—A. If you are so positive about it I will have to say yes. You seem to know you seem to have the information.

Q. Then you do say 'yes'?—A. I will say yes, you seem to have information, it must be so.

By Hon. Mr. Cassels :

Q. What do you mean by that Mr. Mewin?—A. Well, Mr. Watson seems to be so positive about it your lordship.

Q. Mr. Watson being positive is not the question here at all. He puts the statement to you so as to get you to answer it yes or no. You either know or do not know whether Fraser was with you at the office?—A. I cannot recall, I know I have seen Mr. Fraser.

Q. You must know you and Mr. Fraser were there, and that the books were looked at in order to show whether there was any entry there of payments to Fraser?—A. Now, your lordship, when you put it that way I will say I have never examined the books with Mr. Fraser.

Q. I don't say you examined the books with him. What was Fraser doing in the office with you?—A. I don't know.

Q. Cannot you tell us the whole history?—A. Your lordship I will say that now, I can prove that, I can prove that.

By Mr. Watson :

Q. Wait, please. It is your own oath is the proof?—A. I know that.

By Hon. Mr. Cassels :

Q. We want to get the truth, whatever it is?—A. When the statement comes out broad and says that Mr. Fraser and I were in the Safety Company's office examining the books, I deny it positively.

Q. Then you say it is not true?—A. I do; it is not so.

By Mr. Watson :

Q. Did he examine the books?—A. I don't know. I didn't see him. If he did he did something no man has ever been allowed to do before.

Q. How do you know?—A. Because they don't allow any one to see the books; they don't allow their customers to see the books. But when you come out and make that statement—

Q. Listen. Will you just restrain yourself, please?—A. Well, I don't like to have—

Q. Listen. Answer the question. What was Mr. Fraser doing in the office of the company in October and in September?—A. You will have to ask Mr. Fraser.

Q. Have you any knowledge whatever?—A. No, I have not.

Q. Did you ask him?—A. I did not.

Q. Did he tell you?—A. No.

Q. Did you have any talk with him?—A. General talk.

Q. General talk?—A. Not on business.

Q. Not on business. You know that in 1906 Mr. Fraser was ordered by the minister not to make any more purchases from you acting for these companies?—A. I didn't know anything about it.

Q. Listen?—A. I never had that information.

Q. You never had that information?—A. No, sir.

Q. When were you first told of it?—A. Told of what?

Q. That the minister had given directions that no more purchases were to be made from you acting for these companies or for Brooks & Co.?—A. You are the first to tell me.

Q. What?—A. You are the first one to tell me.

Q. The first one?—A. Yes.

Q. Do you mean that Mr. J. F. Fraser never told you that?—A. No, sir.

Q. I have of record here letters, memoranda, signed by the minister from Mr. Fraser to that effect?—A. Mr. Fraser never told me.

Q. Never told you, and do you mean to say you never had any idea from him?—A. No, sir.

Q. That further purchases were forbidden?—A. No, sir.

Q. How can you account for that, if he was so forbidden?—A. I don't know; I haven't the least idea. That is news to me.

Q. That is news to you. It would be a great wrong, would it not, in your mind, for him to make purchases from you if he had been forbidden to do so?—A. I think it would.

Q. Do you think so?—A. I think it would undoubtedly.

Q. And do you say now that you never knew or heard that such a direction had been given by the minister?—A. I do.

Q. Never heard of it?—A. No.

Q. Did you talk with Colonel Gourdeau, the deputy minister in 1907, about purchases?—A. I have discussed purchases with him several times.

Q. With him several times? Did he tell you that the memorandum was sent directly to him as deputy minister forbidding further purchases?—A. No, sir.

Q. Did he ever mention that to you?—A. No, sir, he never did.

Q. In 1907 or 1906 or 1908?—A. No, sir.

Q. Never did.

Hon. Mr. CASSELS.—What is the date of that memorandum?

Mr. WATSON.—Yes, I have them here of record. The first one I have here, my lord, is—these I have here are in the early part of 1908 I see, but I have others. I will look them up and come back to them.

Q. Beyond that did you make sales during 1908 to the department?—A. I believe that they placed orders?

Q. And were the orders for the Brooks & Co. sales made by you?—A. No, they were made by Mr. Brooks.

Q. Made by Mr. Brooks?—A. Yes.

Q. Personally?—A. Personally.

Q. Since when?—A. Oh, he has attended to that ever since he has been in the business.

Q. Well, have you not sold goods for F. L. Brooks & Co.?—A. No, I never really sold goods for them.

Q. What do you mean by 'really sold'?—A. Mr. Brooks always transacted that business himself; he solicited the orders and made the prices.

Q. But you were acting as agent for Brooks & Co.?—A. No, I was not, I was not acting as their agent at all, no.

Q. What had you to do with Brooks & Co.?—A. As I told you before I lent him \$2,500 and he paid the interest; that is all I had to do with Brooks & Co., and Brooks used to consult me on technical points on lighthouse apparatus.

Q. And you used to help him in his sales?—A. No, I never had to help him; no, I never had to help him.

Q. You were with him when sales were being made?—A. Very seldom.

Q. Sometimes you were with him?—A. Very seldom.

Q. You and Mr. Brooks went to Mr. Fraser?—A. No, I took Mr. Brooks to Mr. Préfontaine and introduced him to him.

Q. Did you not see Mr. Fraser with Mr. Brooks?—A. I introduced him, that is some four years ago. Brooks did his own business, that is sales.

Q. Were they not done through your office?—A. No, he had an office of his own.

Q. Where?—A. St. James Street.

Q. Here?—A. Yes.

Q. But you had connection with the firm until quite recently?—A. Only as I told you.

Hon. Mr. CASSELS.—Simply as a creditor.

By Mr. Watson:

Q. I know. But you represented yourself as a partner?—A. Yes, I was represented as a partner to that extent.

Q. Wait, please. You knew you were represented to the department as a partner of Mr. Brooks?—A. Yes.

Q. I see. And you knew your personal relation with some of the officials was a good business asset?—A. Well, no, I won't say that I did.

Q. I see. At all events it was something to count on?—A. Not necessarily, no, sir, it was not.

Q. And when did you make the last sale to the department?—A. Well, let me see—I severed my connection—that is the Safety Company?

Q. When did you make the last sale to the department?—A. On Safety Company's account.

Q. On any one's account?—A. Well, it must have been on the Safety Company's account. It may have been in April or May of this year.

Q. April or May of this year?—A. Yes.

Q. With whom did you make that contract?—A. I—

Q. Whom did you see?—A. I didn't see anybody. They sent me an order I believe, for some repair parts.

Q. Who sent you the order?—A. I cannot recall now whether it was sent by Colonel Gourdeau, Mr. Fraser, or Mr. Noble, or who it was. We used to get orders from all of them. It may have been Mr. Desbarats, he may have been acting there at that time. I cannot state positively on that score.

Q. Then you are in practically continuous communication with Mr. Fraser, are you not, you have been during the last six months?—A. Well, I cannot say that I am.

Q. You cannot say you are. Well, you see him every week?—A. No, I don't.

Q. Pretty often?—A. No.

Q. Pretty often?—A. I have met him in New York when I have been there, and in Montreal when he has been here, but very seldom by appointment.

Q. Now, coming back to that New York trip, what did he tell you that he was in New York for, and in the office of the Safety Company in this month, during this month, the last ten days?—A. I didn't ask him what he was doing there.

Q. But he is a personal friend of yours?—A. Well, I won't say he is a personal friend, Mr. Watson.

Q. Well, you had dinner or luncheon together?—A. Yes.

Hon. Mr. CASSELS.—Was not he suspended at that time?

Mr. WATSON.—Oh, yes, oh, yes.

WITNESS.—He is acquainted with officials of our company in New York, he goes there to see them. I don't suppose he is the only one who goes to see them.

By Mr. Watson :

Q. You were staying at the same hotel?—A. No.

Q. You were at luncheon or dinner?—A. I dined with him.

Q. That is during the month of October?—A. Yes.

Q. And did he not tell you what he was in the company's office for?—A. I did not ask him.

Q. I did not ask you that?—A. No, he did not tell me.

Q. And you did not ask him?—A. No, I did not ask him.

Q. And do you say—have you an idea what he was there for?—A. I have not.

Q. Any conception at all of what he was there for?—A. I haven't the least idea.

By Hon. Mr. Cassels :

Q. Did you know that he was suspended at that time?—A. Oh, yes.

Q. Did you know the reason of his suspension?—A. He told me he had been suspended on some technical charge.

Q. Did he tell you what the charge was?—A. No, he did not.

By Mr. Watson :

Q. Didn't he tell you what the charge was?—A. No, he did not.

Q. And notwithstanding the circumstances that you have spoken of, and that you met him at Rector street, which is away down town, is it not?—A. Yes.

Q. Away at the foot of Broadway?—A. Yes, sir.

Q. Out of the way. Notwithstanding those circumstances you have not the slightest idea or conception what he was doing at that office?—A. I have not.

Q. Not the slightest idea. It will strike you I daresay as almost incredible that you did not know?—A. No, I was not interested in the thing at all.

Q. I see. What were you doing at the office that day?—A. I stepped in to see some of my old friends. I step in there every time I am in New York.

Q. Well, now, you went down there that day along with Mr. Fraser, to Rector street?—A. No, I did not.

Q. Now?—A. No, I did not go down with him.

Q. Not with him?—A. No, sir, I didn't go down with him that day that I met him. I first went from the hotel to the Pressed-Steel Car Company's head office in New York.

Q. But you were there by appointment with him?—A. No.

Q. But you have just said by appointment a little while ago, I think?—A. I don't remember making an appointment to meet him there.

Q. Yes?—A. I don't remember making an appointment.

Q. You do not remember whether you did make an appointment or not to meet him there?—A. No.

Q. Well now, about making that appointment, you would not make that appointment without knowing something of what it was for?—A. That is the point, I don't know why I should make an appointment with him.

Q. I don't want you to reason. It is a question of fact within the last ten days?—A. I have got to reason in order to give a correct answer.

Q. People who reason about matters that occur within the last ten days usually reason not for the purpose of giving a correct answer, witness?—A. I cannot say that I made an appointment with Mr. Fraser there.

Q. Well, you realize, Mr. Merwin, that you are placing yourself and Mr. Fraser in a very embarrassing position before his lordship, do you not?—A. Yes, I realize that.

Q. I see, you realize that? What were the appointments made for in September, at least twice that you were there?—A. I don't think there ever was really an appointment made. I cannot recollect making an appointment with him because I would have no occasion to do so. I had no connection with that company.

Q. Don't reason again.

By Hon. Mr. Cassels:

Q. He does not remember whether there was an appointment or not?—A. No.

Q. You knew he was suspended?—A. Yes.

Q. You did not know that charges had been made against Fraser that he had received commissions?—A. All I know, your lordship, is what I read from the Civil Service Commissioners' Report, and the newspaper talk, that is all I have heard.

Q. When you met him in the office of the company, and you were there too, you knew he was under suspension?—A. Yes.

Q. And you knew also he had been charged with having taken commissions; you knew also those people in New York had refused to produce their books?—A. Yes.

Q. And it was alleged that the books would show evidence of his guilt?—A. Yes.

Q. All these facts you knew?—A. No, I didn't know about that last, that it was alleged the company's books would show evidence of his guilt. I never heard anything of that kind. I knew from what I read in the papers and what I heard in the street.

Q. Putting two and two together, you would think he was down there for some purpose connected with the charge?—A. It naturally occurred to me.

Q. And I suppose it did occur to you at the time?—A. Yes.

Q. You had that in mind at the time you were there? It could not be for any other purpose than to see the books to find out if they contained any evidence of his guilt.

By Mr. Watson:

Q. That follows as a matter of course, almost?—A. A. Yes, it follows as a matter of course.

Q. And yet, although you had that in your mind?—A. I—

Q. Listen. Although you had that in your mind, you say at that time you did not speak to your friend Mr. Fraser about it?—A. No, I preferred to say nothing about it.

Q. You preferred not to?—A. Yes. It is a delicate question to talk to a man on.

Hon. Mr. CASSELS.—You did not wish to qualify yourself as a witness then?

By Mr. Watson:

Q. I see. Well, that same condition, those same circumstances apply I suppose to all the meetings you have had there with him since May of this year?—A. Yes.

Q. And since May of this year you have been there with him at least a dozen times?—A. Well, I would cut that down to about seven.

Q. You would like to cut it down to about seven?—A. Say seven—say a dozen.

Hon. Mr. CASSELS.—I would like to have the correct date of the minister's direction not to purchase goods from the witness and Brooks & Co. You said 1905.

Mr. WATSON.—No, I said 1906. I see here distinctly it was in the early part of 1908. I will just look at the reference.

Hon. Mr. CASSELS.—For the witness's benefit I think you ought to have that right.

Mr. WATSON.—Here is one, for instance on the 17th of February, 1908, memorandum for deputy minister: 'In several instances it has been stated in the House that since the investigation of 1906'—that is when the original direction was given. 'purchases have been continued to be made from Merwin and Brooks & Co. It appears from the Auditor General's Report for the last fiscal year that several large amounts have been paid to these people. Have those amounts been paid for goods ordered before or after the investigation? Please prepare for me a detailed statement in this matter.' That is the first one I have here. Now that was the 17th of February, 1908. Now, the next one.

Hon. Mr. CASSELS.—That is the investigation before the Public Accounts committee?

Mr. WATSON.—Yes, the first investigation was in 1906, my lord, before the Public Accounts Committee, and it was following that investigation that the direction was given that no purchases were to be made and then this is the inquiry in regard to that, and then the next is—

Hon. Mr. CASSELS.—Well, you can get that later. That is sufficient.

Mr. WATSON.—Yes. Here, for instance, on the 30th of March, 1908: Memorandum for deputy minister: 'It is absolutely forbidden, as I have already had occasion to inform you verbally, to purchase anything from F. L. Brooks & Co., G. F. Merwin or Shrub, or to pay them any accounts, unless the matter is formally brought before me as minister.'

Hon. Mr. CASSELS.—Who is that to?

Mr. WATSON.—To the deputy minister from the minister, my lord.

Hon. Mr. CASSELS.—Have you found out from Mr. Merwin how many transactions he had with the deputy minister, Colonel Gourdeau, during 1908 and 1907, and after the investigation of the committee?

Mr. WATSON.—I was coming to that my lord, I will ask him.

By Mr. Watson:

Q. You saw him frequently, Colonel Gourdeau, the deputy minister?—A. I called on him when I was in Ottawa.

Q. Yes, when you were in Ottawa and what was the last time you saw him?—A. I met him here in Montreal.

Q. A few days ago?—A. On Monday.

Q. On Monday of this week?—A. I believe it was Monday I met him at the depot, as he was coming off the train.

Q. You met him there by appointment?—A. Yes, met him by appointment.

Q. Monday of this week?—A. Yes.

By Hon. Mr. Cassels :

Q. You saw Colonel Gourdeau?—A. Yes, I met him by appointment.

By Mr. Watson :

Q. That was in connection with this matter?—A. No, sir.

Q. Well, this was?—A. No connection, another matter entirely.

Q. This was being discussed?—A. He just asked me how I was getting along. I told him all right, so far as I was concerned. He talked entirely of another matter.

Q. Well, was it a departmental matter?—A. No, it was not a departmental matter we were talking on.

Q. Well, what was it?—A. Nothing at all to do, Mr. Watson, with anything in the department, or with my transactions with the department, entirely separate altogether.

Q. Another business transaction?—A. Another business transaction entirely, I assure you.

Q. You had quite a number of business transactions with him?—A. Well, only as deputy minister.

Q. Eh?—A. Well, only as deputy minister.

Q. Well this transaction that he was discussing was in his personal capacity, not as deputy minister?—A. In his personal capacity.

Q. Not as deputy minister?—A. Not as deputy minister.

Q. Then you had other transactions with him as an individual?—A. I never had.

Q. But you have spoken of this one?—A. This is the first one, if the transaction is made it will be the first one.

Q. The first one?—A. The first transaction I have ever had with him as an individual.

Q. I see?—A. This will be.

Q. A joint undertaking, if it goes on?—A. Well, there are several interested.

Q. Yes, I see. That has to do with a manufacturing business?—A. Yes, it has to do with the manufacturing business.

Q. And with the manufacture and sale of the class of goods sold to the department?—A. No. The department are not interested, nothing the department can use at all; purely industrial.

Q. Then all the other transactions were with him as deputy minister?—A. As deputy minister.

Q. And it was in that connection you saw him during the latter part of last month, September, was it?—A. I didn't meet him the latter part.

Q. Well, during September?—A. I don't think I met him in September at all.

Q. Now, try and think, because these are not matters easily forgotten, you know?—A. I don't recall meeting him in September.

Q. You don't recall?—A. No.

Q. Did you not see him when you were in Ottawa?—A. No. I think the only one I saw when I was in Ottawa last was—

Q. Mr. Fraser?—A. No, Mr. Bain.

Q. No, no, no, did you not go to Mr. Gourdeau's house?—A. No, sir.

Q. Where did you meet him then, or where did he meet you?—A. I don't recall meeting Colonel Gourdeau.

Q. You mean you don't remember?—A. I don't remember meeting him last September.

Q. During this last month?—A. Yes.

Q. Did you see him in Montreal?—A. No, this is the first time I met Colonel Gourdeau in Montreal for three or four months. I met him on Monday.

Q. Well now, you got an order about in June from him?—A. Well, I cannot remember that. You will have to refer to the files.

Q. Was it in June?—A. I think an order was sent in for some repair parts for lanterns just before I left the Safety Company.

Q. A pretty large order?—A. No, it was not very large.

Q. Some thousand dollars?—A. I don't think it amounted to a thousand dollars. To the best of my recollection it did not amount to \$1,000.

Q. And you saw Colonel Gourdeau about that yourself?—A. No, I didn't, the order came in unsolicited.

Q. Unsolicited?—A. I think a quotation was asked for by—well now, this Boyle, or this gentleman that is appointed purchasing agent now, I forget his name.

Q. Will you take April and May?—A. Well, I will have to refer Mr. Watson to the file at the office before I can give you any information of that.

Q. Take April or May of this year, what are the extent of the sales you made?—A. I cannot remember that.

Q. \$50,000?—A. Oh, my, no.

Q. About how much then?—A. I could not recall it, but it was not anywhere near that for April and May of this year.

Q. April and May?—A. Very little.

Q. \$25,000?—A. No, no way near. I don't think it amounted in April and May to \$1,000. To the best of my recollection they were buying nothing.

Q. You have records in your office?—A. No, in the New York office.

Q. Those are ones that went down in June?—A. I have no jurisdiction over any of those things now, you know, they have their files there.

By Hon. Mr. Cassels:

Q. I suppose you kept your files with the letters coming from New York and the copy of the answers, all the correspondence on each particular matter would be on separate files, and that has been remitted?—A. Yes. I would like to explain. When an order came I would send it to them. They would send us the goods ordered, and all the correspondence and papers about that one order went on one file, and when that file was complete and the things delivered, it was sent to New York.

Q. They all passed to the main office?—A. Yes. I acted here merely as factor or agent for them.

By Mr. Watson:

Q. You knew Brooks & Co. were making sales?—A. No, I did not.

Q. In 1908?—A. No, I don't. I paid no attention to Brooks' business in 1908 at all.

Q. 1908?—A. I paid no attention to the business at all. In fact I never was in possession of the details of Brooks' business.

Q. You did not pay any attention to it in 1908 was your answer?—A. No.

Q. I see. Now then, when you were before the Public Accounts Committee, you declined to produce any books?—A. Yes, I declined to produce any of the Safety Company's books, because those were their instructions to me.

Q. Was that upon your suggestion?—A. No; it was their suggestion, their principle of doing business.

Q. Was it with your approval?—A. I beg your pardon.

Q. Was the refusal with your approval?—A. I approved of it, yes.

Q. You approved of that refusal?—A. Yes.

Q. And what you approve of you have good reason for approving of, that is right, is it not?—A. Yes, sir.

Q. You are a man that reasons, apparently?—A. Yes.

Q. And work and speak accordingly. I see. What was your reason for approving of that refusal?—A. I think it is every man's business to refuse to allow the public to have inside knowledge of his business.

Q. Any other reason?—A. No, that is the only reason.

Q. That is the only reason?—A. The only reason.

Q. You regard no distinction in connection with the department and the country generally?—A. No, not in the least. The department is considered an ordinary customer.

Q. And did you regard any distinction or difference by reason of the fact that in that time, in 1906, direct charges were then made against you and against others?—A. No, I did not take that into consideration at all.

Q. Had that anything to do with the refusal to produce the books?—A. Not in the least.

Q. Eh?—A. No, sir.

Q. I should have thought it would have?—A. No.

Q. I should have thought the fact that personal charges were made would be the best kind of reason for a reasoning man to produce the books?—A. Well, the charges, from whence they came, I don't know, they didn't amount to anything in my estimation.

Q. Now, you do not mean that?—A. Yes, I do. But I assure you that was not the reason for the company refusing to produce the books. They simply never allowed, they never would allow any one to examine their books, only their auditors, and while they assured me that everything on their books was perfectly straight and clean, still at the same time they could not permit a public accountant to come in, or exactly as a Public Accounts Committee to come in and examine their books.

Q. Would not allow them to go into a Court of Justice for instance?—A. That is a different thing altogether.

Q. I thought a court of law was a public place?—A. No, I say the Public Accounts Committee is an entirely different thing from a court of law.

Q. You think so.—A. The way they handle matters there.

Q. I see. Now then just try and think, Mr. Merwin, reason again please, and tell me now, will you, why it was that refusal to produce the books was made?—A. I told you Mr. Watson they did not, it was not their policy to allow any one to see their books, and they would not exhibit them there.

By Hon. Mr. Cassels:

Q. Even if they would clear up the reputation of a man?—A. Well, they didn't consider my reputation was soiled at all in any way.

Q. I was not alluding to your reputation only.—A. I don't think the public at large—

Q. It was not your reputation I had in view at all.—A. However, I don't think—

Q. That is the position, you could not control them?—A. No.

By Mr. Watson:

Q. But you say you approved of that course?—A. I approved it.

Q. You advised that course?—A. No, I won't say that. I told them what was wanted, and after consulting with them and taking the advice of the people in New York, and my principals there being more experienced, I believed in their argument, I believed they were right, and I approved of it.

Q. And you were examined at very great length?—A. Oh, yes.

Q. In regard to items of accounts before the Public Accounts Committee?—A. I was, yes, sir.

Q. You were under oath there?—A. I was, yes, sir.

Q. And your evidence is a matter of written record in the Public Accounts?—A. I believe so.

Q. And you have often referred to it since?—A. No, I have not, Mr. Watson. I referred to it once when it was published, and that is the last.

Q. You have read it since?—A. No, sir.

Q. Never read it since at all?—A. Never had time.

Q. Never had time?—A. No.

Q. Were the statements made by you at that time correct?—A. To the best of my knowledge they were.

Q. Are you willing that those statements in those accounts should be taken as a matter of correct record here by his lordship?—A. I would like to look them over first.

Q. I see. I brought the wrong book with me I see?—A. I would like to correct them, I want to see if they are correct, I would like to check them over.

Q. Is it the fact that in the majority of cases very excessive prices were charged to the department, yes or no?—A. No, no.

Q. Excessive prices?—A. No, not in my estimation.

Q. Not in your estimation?—A. No, sir.

Q. Were you in a position to know at that time whether the prices you were bargaining for were or were not excessive?—A. Yes.

Q. That will do. You say you have given that as a business answer. Now, then, on gas buoys what is the profit?—A. I couldn't tell you, Mr. Watson.

Q. What?—A. I don't know the profit on these buoys, I never inquired the cost price.

Q. Oh wait, please. Have you in mind my last question and your last answer?—A. Yes.

Q. Well, having that in mind, I ask you again, what was the selling profit in the bargain that you made for the sale of gas buoys?—A. I have tried to tell you before that my principals sent me the prices that I was to charge.

Q. I am not talking of principals?—A. I have got to bring them in, Mr. Watson; they are the ones that determine the prices.

Q. I am asking you about the last answer you gave to me?—A. Well, you put it in that way.

Q. What?—A. I will modify that. I say I do not think there were excessive prices. I cannot say for that.

Mr. WATSON.—Will your lordship adjourn for luncheon.

Hon. Mr. CASSELS.—Yes.

(Adjourned from 12.50 p.m. to 2.15 p.m.)

Commission resumed at 2.15 p.m.

By Mr. Watson :

Q. Mr. Merwin, sales were practically for cash, I believe?—A. Yes, sir.

Q. That means within 30 days?—A. Within 30 days is considered cash in the trade.

Q. I see, from the statement of some of the purchases which I have before me that on the 22nd of July, 1904, you sold gas buoys, on that date, that would be for the New York Company?—A. Yes, sir.

Q. Gas buoys would be for that company?—A. Yes, sir, that would be for the Safety Company.

Q. \$5,499.40. I suppose in your own mind you would not have the fixtures accurate at the present time?—A. No. There must be some other articles besides gas buoys in that case.

Q. It is gas buoys, &c.?—A. Yes. There are some other articles besides gas buoys, because if it was all gas buoys it would be in round figures.

Q. And within 30 days or thereabouts a cheque for that amount must have been remitted to you?—A. No, sir. They never paid us within 30 days.

Q. I say about?—A. It may have been 60, it may have been 90 days.

Q. Well, take it that way if you please?—A. Then it might not have been for the full amount.

Q. Well, I should think it would be if the amount was correct they would not divide up the account?—A. Yes, they did. Probably there would be three or four different invoices, it was covered probably by three or four different invoices, and they would not pay them all at once.

Q. Now then, let me see your bank-book showing the receipt of that money within 30 or 60 or 90 days after July 2nd, 1904.—A. That is the only bank book that I have Mr. Watson, which you have there.

Q. Well, I thought, Mr. Merwin, that you would be good enough to make further investigation and as a result that you would be able to find those bank-books.—A. Well, no, I could not find the bank-books, I know I cannot find the bank-books.

Q. Why?—A. Because they were thrown away, discarded.

Q. A man does not throw away his bank-book.—A. Pardon me. We will say this is the new book, just opened. When I find the old book corresponds and the balance is right, the old book is no use to me.

Q. You throw it away?—A. In the trash basket, it is worthless to me.

Q. A bank-book does not occupy much space.—A. I know it does not.

Q. People generally keep their bank-book for four or five years.—A. I have inquired recently and I find the majority do not for personal accounts. That is really my personal account.

Q. Of course it is not your personal account, it is the account for the two companies.—A. The fact they were disposed to pay their cheques as they did obliged me to pay them into the personal account. The cheques were made out to George T. Merwin and I could not do otherwise with the cheques. I could have endorsed them and sent them to New York, but that would have cost exchange.

Q. Will you look at that bank-book, Exhibit No. 66, and on that first page tell me the items in that account? You know that is not long ago, that starts in?—A. September, 1907.

Q. September 5th, 1907, that is a year ago?—A. Yes, a year ago.

Q. The items on that page are all receipts from the department?—A. Well, I could not tell you that, Mr. Watson, not from memory.

Q. You could form an idea?—A. That \$742.11 may be one, I won't say for sure. It may be three or four items. I don't think that is because I never got—

Q. A thousand dollars?—A. That was probably a remittance from the Safety Company on expense account; but this \$742.11 being odd figures, it might be—

Q. Now, take that cheque, September 11th, \$1,256.85, was that to one of those companies or to the New York Company?—A. That is a credit, that is a cheque I had issued.

Q. I know.—A. I may have paid that to Blaiklock for Customs dues.

Q. I mean can you tell?—A. No, I cannot tell.

Q. Can you form an idea?—A. Not the least idea, because those figures—

Q. Wait. Now, coming down here, here is September 13, a cheque for \$4,185; that is a large amount?—A. Yes. That may have been for fuel bills or some supplies in September, that may have been paid to some contractor making repairs to our works.

Q. I know. Do you recollect?—A. No, I could not recollect any of those things.

By Hon. Mr. Cassels :

Q. Were cheques in payment of those made payable to your order or to the company's?—A. From the department?

Q. Yes?—A. Made payable to my order. They just made them out to George T. Merwin. Consequently I had to put them into my account.

Q. The department have a record of all those cheques when sent?—

Mr. WATSON.—Yes, my lord.

By Mr. Watson :

Q. Now then here is a credit; September 20 or rather September 18?—A. That may be from the department, I don't know. It may be from the International Marine Signal Company.

Q. What do you mean by the International Marine Signal Company?—A. Why, we sold them buoy lanterns.

Q. Now, here is September 20, \$4,014.40 received and deposited?—A. That may—

Q. Never mind what it may have been?—A. Well, I cannot tell you exactly what it is.

Q. Can you identify it with this account?—A. No, I cannot.

Q. Here is a cheque deposited October 5, 1907, \$2,000, leaving out the smaller cheques; can you identify that?—A. I cannot.

Q. Well, come on a little further, and see what you can identify. Here is a deposit on October 14, \$4,090, can you identify that?—A. No.

Q. Will you say that that was from the department or not?—A. I think I would be safe in saying it was not, because it is in round figures.

Q. \$4,090 is not round figures?—A. Well, I won't say, I cannot say.

Q. October 15, \$2,423.5, does that suit you better?—A. I cannot say.

Q. You cannot say. October 25, \$1,050?—A. No.

Q. You cannot say. How then, October 26, \$4,185?—A. I couldn't tell you where it came from.

Q. Do you see, look at that date?—A. It is all last year, Mr. Watson.

Q. Wait, wait. October 26, \$4,185. Now, where did that money go out, because the cheques would be charged here?—A. Why, it has probably gone out in all these (indicating).

Q. But these are little cheques two or three hundred?—A. Here is one for seven hundred, six hundred, two hundred dollars and three one hundred dollars. Look at them.

Q. Don't go off on the other page. Keep to this page?—A. We have got to get to the other page if we are to average all up.

Q. How soon did you remit to the company after receipt from the department, usually?—A. Usually a day or two days.

Q. Usually a day or two days. Now, I do not find any remittances corresponding to that. Would you remit the whole amount you received?—A. Sometimes I would, sometimes I would retain to pay those accounts I had instead of drawing.

Q. What accounts?—A. My customs and freight.

Q. Those would be small matters?—A. Not by any means. They run to between five and six thousand dollars a month.

Q. \$5,000 or \$6,000 a month?—A. Yes.

Q. Who paid freight?—A. The company paid freight. I paid the freight at this end.

Q. Did you charge that to the department?—A. I mean the freight on all our business.

Q. No, I am speaking of the department?—A. The department business and the car-lighting business is all in there together, Mr. Watson.

Q. I am not asking that at all? Did you charge freight to the department?—A. No, we delivered all our goods f.o.b. at Montreal.

Q. Did you include the freight in the price?—A. We made our prices, as I understand, according to the freight charges.

Q. Did you include the freight in the price?—A. Evidently it was.

Q. Well, do you know?—A. No, I am not positive about it. My principals made the price.

Q. Oh, yes, I know. But it was after a certain amount of consultation with you as to what you could get.—A. No. There was a fixed price on all that material.

Q. A fixed price on all that material? Well then, we come on down to some other large cheques from November 4th, \$1,101, deposited November 7th, \$3,000?—A. Yes.

Q. Identify that?—A. I cannot.

Q. Then November 13th, \$4,850.29.—A. No, I cannot.

Q. November 16th, \$6,066?—A. No, I cannot identify them.

Q. You see there are no cheques entered here corresponding with those amounts at all, in any case; you observe that, don't you?—A. Yes.

Q. Yes, you observe that?—A. Sometimes.

Q. Now then, in November there are three deposits there, amounting to \$10,000, 3 and 3 are 6, and 3 are 9, and \$920, they make \$10,000, that is only last November. Identify that?—A. Undoubtedly from the Safety Company?

Q. From what?—A. The Safety Company.

Q. Cheques that you received from the Safety Company?—A. Yes, to cover expenses.

Q. That you would receive from the Safety Company?—A. Yes.

Q. But I thought you said a moment ago that you deducted from the money you received from the department?—A. Not always.

Q. Well then, where is the cheque you sent on to the Company, from the department?—A. Well, probably I didn't during that time send any I received from the department.

Q. We have got from September on to, nearly to the end of December. Now, December 16, \$1,557, 21st, \$3,169: still no identification?—A. No, sir.

Q. Well now, here is one you can identify, because here is a credit December 7th, \$24,784.—A. \$24,784?

Q. Yes. We have got something at last, surely?—A. I won't say positively, but I think that is a remittance from the International Marine Signal Company, I am inclined to believe.

Q. Have you any way of telling?—A. Not unless I refer to their records or to the company's records.

Q. You cannot tell now at all?—A. No.

Q. There is no corresponding payment—yes, there is, December the same date—that is January the 7th, did I say December? Then the same day there is a cheque drawn out for \$20,000.—A. Probably I remitted them \$20,000.

Q. That is not very long ago. Cannot you tell about drawing that cheque for \$20,000?—A. No.

Q. You must have a very poor memory?—A. I draw cheques for large amounts.

Q. I do not find anything like that here?—A. If you had the old book you would.

Q. Never mind the old book. This is the recent book?—A. Evidently from the International Marine Signal Company for lanterns.

Q. Do you recollect drawing a cheque for \$20,000?—A. No, I don't recollect.

Q. You have no recollection at all?—A. No. I evidently did though.

Q. It is charged up here?—A. Yes.

Q. Well, we will get on to a more recent date. You would have a very good memory for June, that is not very long ago, is it?—A. No, that is not long ago.

Q. Well, take this, June 6—5th, credit \$5,791.50. Who was that from?—A. I could not tell you.

Q. No idea?—A. No, sir.

Q. There is no cheque corresponding to that; you cannot tell at all?—A. No.

Q. There is a cheque of the 9th June, \$3,972, leaving out all the small ones. What about that; to whom was that sent?—A. Well, I cannot say positively; it may have been sent to the Montreal Light, Heat and Power Company for fuel or something of that kind.

Q. What is that?—A. It may have been sent to the Montreal Light, Heat and Power Company; it may have been sent to Mr. Blaiklock, customs' broker.

Q. Well, now, an item such as I have referred to here, July 22, 1904, gas buoys \$5,499.40; how much were the gas buoys sold at?—Some of them at from \$1,200 to \$1,600 a piece, different sizes.

Q. \$1,200 and \$1,600 cash, I see?—A. Yes.

Q. Then in connection with these?—A. I beg your pardon.

Q. A gas buoy sold for \$1,200 would cost how much?—A. Well, I cannot tell you, Mr. Watson. I would have to—

Q. About how much?—A. I haven't the least idea.

Q. Oh, you have some idea?—A. I have not.

Q. Mr. Merwin?—A. Yes, sir.

Q. Would you say that the cost is \$500 of the one sold for \$1,200?—A. I know it cost more than that

Q. Would you say \$600?—A. I could not say. I would not want to guess at it.

Q. You would not say whether it would cost \$600?—A. No, I would not.

Q. No idea at all?—A. No, sir

Q. Did you ever have any idea?—A. No, I did not.

Q. Never did?—A. No.

Q. And yet you were the sole agent, in sole charge of this business and the buoys that you were selling you had no idea, and never had, whether they cost half the amount at which they were being sold by you?—A. No, sir.

Q. Never inquired?—A. No, sir.

Q. Took no interest at all in it?—A. No, sir.

Q. Deliberately took that position?—A. Deliberately took that position.

By Hon. Mr. Cassels:

Q. Was any inquiry ever made of you of the cost of the buoys by any officer of the department?—A. By the officer of the department?

Q. Yes?—A. I can't recall it, your lordship; I cannot recall their asking what they cost.

By Mr. Watson:

Q. Did Colonel Gourdeau ever ask you?—A. No, sir, not to the best of my knowledge he never has. I cannot recall any officers of the department asking me what they cost.

Q. Well, then, who did ask you if the officers of the department did not?—A. I was asked by the Public Accounts Committee.

Q. I know you were asked there, and you refused to tell?—A. Yes.

Q. That is the position, you refused to tell?—A. Yes.

Hon. Mr. CASSELS.—You mean you refused to tell?

By Mr. Watson:

Q. You did not say there you did not know?—A. I think I did.

Q. I think you simply said you refused to disclose?—A. I am under the impression. I told them I did not know. I refused to go to New York to find out. To the best of my knowledge they wanted me to go to New York and find out.

Q. Well, how do you know this cost \$500 that sold for \$1,200?—A. I did not say I did. I don't know whether it did or not.

Q. I think you said a moment ago you knew it cost as much as \$500?—A. I don't think so. I think it cost more than \$500.

Q. Why?—A. I don't think they would get so much money on the buoy.

Q. You don't think they would?—A. No.

Q. Did you write them anything about profits?—A. No.

Q. Did they ever write you about profits?—A. No. They would write me and say they had to get those prices.

Q. Did Mr. Fraser ever make any inquiry of you? He was the commissioner of lights?—A. No.

Q. He was the one who made recommendations for the purchases?—A. Yes.

Q. You know that?—A. Yes.

Q. He used to tell you what recommendations he was making?—A. He told me he recommended those buoys, but he knew what they were.

Q. He told you he was making recommendations of those buoys?—A. He knew what they were, their reputation recommended them really.

Q. Do you mean he never said anything to you about the price of them?—A. About the cost of them?

Q. No, he never said anything about the cost of them.

Q. About profit. He is a very cute, sharp business man?—A. I always considered him so.

Q. Well, you did not at that time, did you?—A. No, that would not lead me to think he was otherwise.

Q. Well, you must have had it in mind he was pretty easy?—A. He probably knew I would not tell him if I did know.

Q. Why?—A. It would be very foolish, I think for a man to tell what his goods cost.

By Hon. Mr. Cassels :

Q. Had you any patents on these buoys?—A. Not on the construction of the buoy body, my lord. There are some patents on the lanterns, there was a lantern furnished with each buoy.

By Mr. Watson :

Q. A lantern furnished each buoy?—A. Yes, sir.

Q. Oh, yes. Then was there any more profit on the larger ones than on the smaller ones?—A. Well, I could not say, Mr. Watson.

Q. What is your idea about that?—A. I don't think so.

Q. You don't think so? About the same proportion of profit—A. I believe there was.

Q. Now there is another item, the next item there of George T. Merwin, July 22, store-holders and lanterns, \$6,000; what were those?—A. Oh, they were buoy lanterns, and those large store-holders for storing the gas.

Q. Where were they manufactured?—A. Germany.

Q. The store-holders?—A. Yes.

Q. And the lanterns?—A. Yes.

Q. And the buoys?—A. Yes sir.

Q. \$6,000, do you recollect anything about that at all?—A. No, I cannot, not particulars.

Q. Then what is a receiver?—A. Well, that is a store holder.

Q. Flanges and valves. Those are made in New York, are they not?—A. No. All the service is made in Germany, all that buoy lighting service is made in Germany.

Q. All that is made in Germany?—A. Yes.

Q. You saw them I suppose in the course of manufacture when you were over there?—A. Some like it.

By Hon. Mr. Cassels :

Q. Was it on that part of it there was a patent?—A. Well, no, on the lanterns; there was no patent on the store-holders. On some of those valves on one or two of those valves there is a patent.

By Mr. Watson :

Q. Then where is the repairing of the flashing apparatus? Where is that made?—A. The flashing apparatus?

Q. Yes?—A. It is made in Germany.

Q. What is made in New York?—A. Very little of that material, Mr. Watson.

Q. Well, what is made in New York that was sold here?—A. To the department?

Q. Yes.—A. I don't think so, I don't think there was any of it made in New York.

Q. None of it is made in New York?—A. No; it is all German manufacture, it is all specialties, you know, made by the Pintsch Co., of Berlin, all specially made material for that particular service.

Q. I thought they had a factory in New York?—A. The Safety Car-Heating Co. has a factory there to manufacture their car-lighting material.

Q. Car-lighting material?—A. Yes. They have made some buoy lanterns there, too.

Q. You have had a great deal of hardware?—A. That does not come really under the head of hardware.

Q. You have a good deal to do with hardware?—A. I cannot say I have.

Q. Something you have been in, the hardware manufacture?—A. No.

Q. Hardware trade?—A. No.

Q. Do you know anything about the selling prices of hardware?—A. No, I do not.

Q. Or the cost of hardware?—A. No, I do not. Have not the least idea.

Q. Not the least idea of it?—A. I have not the least idea of the cost of hardware.

Q. Here I see, on the 21st of January, 1905, you sold hardware amounting to \$1,748.—A. I do not know why they classify it as hardware.

Q. Did you make such a sale?—A. I cannot classify that hardware, I do not understand it.

Q. You don't understand it.—A. No, sir. Hardware, as I take it, is nails, screws, door knobs. I never sold any of them.

Q. And do you say you had nothing to do directly with the Brooks' orders?—A. No, sir.

Q. Of course, you might be there when he was making the sales?—A. I cannot recall being with Mr. Brooks when he was making a sale.

Q. For instance, I see on April 2nd, 1906, F. L. Brooks, lenses, lanterns, \$41,173: you know about that?—A. No, I did not.

Q. Knew nothing about it?—A. No, sir.

Q. Have you any idea of the cost of those things?—A. I have not the least idea.

Q. And what are the buoy lanterns usually sold at?—A. Well, there were three sizes, four sizes. They were from, I think it was \$295 up to \$1,130 or \$1,150—from \$395.

Q. \$1,130 to \$1,150?—A. Yes. That is the largest size, 500 millimetres.

Q. Any more than that?—A. No, that is the largest size.

Q. I see on June 30, 1905, G. T. Merwin, buoy lantern, \$4,222?—A. That is not one lantern, that must be a number of lanterns.

Q. Do you think so?—Oh, my, yes.

Q. That is the way it is entered here?—A. Well, it is a mistake, because the largest buoy lantern made is 500 millimetres, and that, I think, is \$1,130.

Q. \$1,130?—A. Yes.

Q. Did you ever buy any of those yourself to sell them?—A. No, sir.

Q. What?—A. No, sir.

Q. And here is again, on the 16th November, 1906, Merwin, lanterns, \$13,080?—A. Well, he has got it wrong. It ought to be lanterns.

Q. Those were pretty large sales?—A. Well, it is high class goods, Mr. Watson.

Q. Yes, high class goods?—A. Yes; they are not toys.

A. And what do you say as to the profit on these buoy lanterns?—A. I could not tell you; I have not the least idea.

Q. After the question arose in 1906, and when you were in communication with your principals in New York the matter was very prominent in your mind and in the minds of others?—A. Yes, sir.

Q. You were an old employee?—A. Yes, sir.

Q. You made inquiry at that time?—A. As to the profits?

Q. Yes?—A. No, sir.

Q. Eh?—A. No, sir.

Q. As to the cost?—A. No, I did not.

Q. Never spoke to any one about it?—A. No, sir.

Q. Never spoke to any one there about it?—A. I never asked them at all, because I did not consider it my business. They made the prices and said they had to have those prices for the goods.

Q. You know I am speaking of the time when it came up in the winter of 1905-6 in Ottawa before the Public Accounts Committee?—A. Yes, sir.

Q. The matter was very prominent in your mind and the minds of others. Did you make some inquiries at that time?—A. I did not consider it of enough importance.

Q. You did not consider it of enough importance?—A. No, sir, I did not.

Q. Well, then, you talked of that with the Deputy Minister?—A. Talked of that.

Q. Yes. What the profits were?—A. No, I did not.

Q. What did he ask you about?—A. He never asked me anything about profits.

Q. At that time, 1906?—A. I cannot recollect he or any officials asking me about profits.

Q. What was the cost then?—A. I don't know.

Q. Did he ask you what the cost was?—A. I cannot recall any, only on the Public Accounts Committee.

Q. Do you mean to say that no one in the department at that time or afterwards asked you to ascertain or find out what the cost was?—A. I cannot recall their ever asking me.

Q. Although it was the subject of such severe challenge in the Public Accounts Committee?—A. Taking all that into consideration.

Q. Just try and think?—A. It is no use my going any further.

Q. You are leaving out your reasoning?—A. No, I am not leaving out my reasoning. They evidently knew I would not tell them even if I did know.

Q. Oh, but you were a friend about there, in the habit of going there very often?—A. Not for that purpose.

Q. No. There was no one got such large orders as you were getting?—A. I would not have told them my cost if I did know.

Q. Not if they asked you at that time?—A. No, sir.

Q. Not on condition that you lost the trade if you did not?—A. No, sir. We could not lose that trade.

Q. Why?—A. No one else could supply the goods.

Q. Then you had them by the neck?—A. Not necessarily.

Q. It was a hold-up?—A. No.

Q. Well, perhaps not in the minds of some?—A. You might say we hold up every government.

Q. What do you mean by buoy glasses?—A. Well, that is a triangular glass in the outside face of the buoy.

Q. These are not subject to patent?—A. No.

Q. Buoy lanterns are not subject to patents?—A. Parts of them are.

Q. Some small part?—A. Two of the principal parts, the regulating apparatus and the flashing.

Q. Here is the item, \$487?—

By Hon. Mr. Cassels:

Q. When were the patents granted?—A. I could not tell, my lord, some years ago.

Q. Two years ago?—A. Some years ago, and they have always been improved upon.

Q. Were you allowed to import from Germany and keep your patents alive?—A. To the best of my knowledge. I did not take care of any of that part of it.

By Mr. Watson:

Q. Did these things come in, duty free?—A. Until the duty was put upon them, until the last revision of the tariff.

Q. When?—A. Some time in 1907.

Q. Well, up to 1907, there was no duty?—A. No duty, free.

Q. Well, what were you talking so much about paying large amounts for duty?—

A. All our car-lighting material and the freight on these things too amounted to a great deal. The freights are very heavy on them, it is all heavy material.

Q. Who are Chance Bros.?—A. They are a firm of lighthouse manufacturers in England.

Q. Yes. Are they in the same line?—A. They manufacture lighthouse materials only; they do not manufacture buoy lanterns and buoy materials.

Q. They do not manufacture lanterns?—A. Buoy lanterns.

By Hon. Mr. Cassels:

Q. They manufacture lights?—A. Lighthouse apparatus.

Q. The other firm is the Paris firm?—A. The Paris firm.

By Mr. Watson:

Q. Are they not in competition with you?—A. In lighthouse apparatus they were.

Q. Yes. And did they compete with you, do you know, to your knowledge?—A. We—

Q. To your knowledge?—A. Yes, they did once.

Q. Once, I see. And who got it that time?—A. They got it.

Q. I see. I should think that was so from what we have seen. And then I see Brooks & Co.'s sales were exceedingly large sales?—A. I don't know anything about them.

Q. Seal island, for instance, in one month, January, 1907, apparently they sold between \$30,000 and \$40,000 worth of goods, what would that be for?—A. I am sure I couldn't tell you, Mr. Watson, I am not acquainted with Brooks' business.

Q. Not acquainted with—?—A. Details.

Q. Not at all?—A. No. I know he was selling them goods, but I don't know what he was selling.

Q. But you used to be in communication with his office all the time?—A. Socially, that is all. I was not in his office all the time.

Q. But in and out of his office every day?—A. No, about once a week.

Q. You discussed business matters?—A. No. Our business was not connected at all. I never discussed business matters.

Q. He is a responsible, reliable business man?—A. Yes.

Q. One to keep his undertaking?—A. He is, sir.

Q. Would you rely on his undertaking and promise?—A. I would at any time, for any amount of money.

Q. Or anything he would say?—A. Anything he would say.

Q. I see.

By Hon. Mr. Cassels:

Q. Did you supply any lighting apparatus for these lighthouses at Motise, Matane, so on, five of them?—A. No, The Safety Company did not. I believe either Brooks or Chance did that, either the Chance Bros. apparatus or the French firm.

Q. Have you any idea what these were worth the lighting apparatus?—A. I couldn't say, your honour. They run into big money and according to the size of the apparatus. They are classified as first order, I believe that is the largest, and then they run down, so I can't say.

By Mr. Watson:

Q. Did you make sales direct to Mr. Fraser himself?—A. Direct to Mr. Fraser?

Q. Yes. Charge him?—A. No.

Q. Ever do anything like that?—No, I can't recall ever doing anything like that.

Q. Why would you do that?—A. I don't think there is any reason for my doing anything like that.

Q. How do you account for that invoice (producing), to whom was that made out?—A. It should be made out to the department.

Q. I say, to whom do you find that made out?—A. It is made out to the department.

Q. What is that at the head of it?—A. That is the order number, and if they don't give an order, we give the date of the letter the goods were ordered on.

Q. I see, that is Captain J. F. Fraser. Was he captain, too?—A. I believe that is the title he had.

Q. Marine?—A. I don't know. That invoice was not to him personally.

Q. The invoice was not to him personally?—A. No.

Q. Not so intended, you mean?—A. No, not so intended.

Q. I see.

Hon. Mr. CASSELS.—I suppose all this can be proved by the papers in the department.

Mr. WATSON.—Yes, my lord.

By Mr. Watson:

Q. I see that Mr. Fraser—look at these items of account from your office. That is 1904?—A. Yes, sir.

Q. All marked by Mr. Fraser, do you see these? (indicating).—A. I see it now. That is the first time I ever saw it.

Q. Why the first time you ever saw it?—A. That is not on any notice of the kind.

Q. 'I certify this expenditure, July 10th, 1904, was authorized, and was incurred in the buoy service above Montreal, that the special services and labour remunerated were actually furnished and that the prices charged are fair and just. Signed, J. F. Fraser.' Do you say he never inquired from you about prices, about the cost and profit?—A. He inquired about the price, he asked what the price would be.

Q. I did not say about the price. About the cost and profit.—A. No.

Q. Never did?—A. Never did.

Q. How could he make a certificate of that kind?—A. I cannot understand, I don't know.

Q. Do you think any one would be justified in making a certificate of that kind without some knowledge of the cost and profit?—A. They certainly ought to have some knowledge of the value of the work.

Q. Then again, this is a small item, the next one is a larger one, May 13th, 1904, \$527. The same sort of certificate you see on one of your accounts, do you see that?—A. Mr. Watson, you had better ask Mr. Fraser to explain those things.

Q. Well, I am pointing out they are not, as it appears to me, quite consistent with what you have said occurred between you and him; that is, you say nothing occurred between you and him with regard to any of these matters?—A. I have no jurisdiction over these.

Q. No, not that?—A. I have nothing to do with that.

Q. Take those valves, February 29, 1904, 50 special valves, \$16.50 each, \$825; can you give any information about that? Those charges are charged as fair and just?—A. That was our list price, our regular price for them, evidently. You will find the papers on file where he asked for quotations.

Q. And I see with regard to the gas buoys in the accounts for these just the same certificate by him, 'fair and just,' that one of \$2,700 is checked by J.F.F. Then he was really in charge of the whole of those things, you say, you knew that?—A. I guess that is all in his department.

Q. All in his department?—A. Yes.

Q. You sold machinery sometimes, too, did you not?—A. Machinery, no.

Q. To the department?—A. No.

Q. Plant and machinery?—A. No, that was an acetylene plant.

Q. Yes?—A. For manufacturing acetylene gas. Pardon me, let me—

Q. How much was that?—A. That again—(indicating—

Q. No, I am not speaking of that one, I passed over that. How much was it, the acetylene gas?—A. I cannot recall that.

Q. Do you recollect the sale of machinery amounting to about \$17,000?—A. No, I don't recollect anything like that machinery.

Q. \$16,000 to \$17,000?—A. No, not for machinery.

Q. What was it?—A. It might have been buoys or it might have been store-holders or lanterns, but not machinery.

Q. Here are store-holders again amounting to \$9,625, certified in the same way, do you know anything about those?—A. I know we sold them to him.

Q. And here again on the next page, November 19—I do not see the date of the year, do you?—A. Oh, yes, November 19, but I don't see the year?—A. 1903.

Q. \$12,250, 14 store-holders?—A. That was the date the order was placed.

Q. Why was it the price of store-holders went up?—A. Different sizes, were they not?

Q. Was it so?—A. Different sizes. The prices did not go up.

Q. Did you ever increase the price during those five or six years?—A. No, the price was never increased or reduced.

Q. Never reduced, I see?—A. No fluctuations in it at all.

Q. Here are very large items, all certified in the same way, gas receivers. \$5,900. And you say you know nothing whatever about the cost and profit on any of those goods?—A. I cannot tell you that.

Q. Never inquired?—A. Never inquired.

Q. And deliberately refrained from doing so. That is right, is it?—A. That is right.

Q. You deliberately refrained from doing so? I see. Of course that implies in the ordinary course you would have inquired, when you deliberately refrained from doing so?—A. No, it does not, for I never made it a practice to find out what it cost in material, whether it was for the Marine Department or whether for the railway company.

Q. Then can you give any information with regard to these accounts?—A. Not other than that they were ordered, delivered and paid for, that is all.

Q. And you never asked for any reductions you say?—A. No, sir.

Q. You never asked for any reduction? That purports to be a copy of a letter, June 9, 1905, by you, George T. Merwin, directed to W. H. Nobel, assistant commissioner of lights, Prescott: 'Referring to yours of recent date relative to the price asked for ruby glasses of special reflector rings, would say after going over this matter thoroughly I have found it would be impossible for us to make any reduction in the prices.' Now, what do you mean by your last answer to me?—A. The exception proves the rule. Probably Mr. Nobel did request some price.

Q. Probably he did?—A. He evidently did from that letter.

Q. Then your answer was wrong?—A. Evidently. I don't think you will find many.

Q. Is that statement in your letter correct?—A. I have every good reason to believe it is correct.

Q. You have good reason to believe it is. You see here you say—

By Hon. Mr. Cassels:

Q. That is because you wrote it?—A. Yes.

By Mr. Watson:

Q. You see here you say: 'After going over this matter thoroughly I have found it would be impossible for us to make any reduction in the prices'; that means, upon

its face, you made an investigation?—A. I probably wrote New York and they told me that was the lowest price.

Q. No. That is not what it says?—A. That is what it means.

Q. It says 'After going over this matter thoroughly'; now, how would you go over the matter thoroughly?—A. I would write to New York and ask them to go over it thoroughly.

Q. 'I have found it would be impossible for us to make any reduction.'?—A. I found out by the reply I got from the New York office.

Q. Now, you make yourself very innocent, is that not so?—A. Yes, I am innocent of anything wrong there.

Q. And then here is another letter of May 30, from Mr. Nobel, complaining about the price for 360 pilot burners, and you answer that, apparently, 'I note you take exception to the price. Regarding this I would say that 50 cents each is the regular price. Referring you to your order in which you ordered 6 of these burners, that is on a former occasion, we invoiced them at the same price as shown on my invoice.' That is all you say about that, at that point, I see. Now then, apparently Mr. Nobel did make objections?—A. Some of those small items.

Q. Just state, did any one else make any objections?—A. I don't recollect.

Q. I see. You don't recollect. Then there may have been other objection. Did you sell any down at Quebec?—A. No.

Q. Eh?—A. No, sir.

Q. Did you deliver any down there?—A. I cannot recollect delivering any, we made all our prices f.o.b, Montreal, and they took delivery here in Montreal.

Q. Did you have any business transactions with Mr. Gregory?—A. No, I never had any business transactions with him at all.

Q. Never at all?—A. No.

Q. Did you ever pay him any money?—A. I did not.

Q. What?—A. I did not. Why should I

Q. You never paid him any money?—A. No, sir.

Q. Did you ever have any business transactions with Mr. Boucher here?—A. No, sir.

Q. What?—A. No, sir.

Q. That sounds rather weak?—A. No, sir.

Q. You know him very well?—A. I won't say I know him very well.

Q. You are frequently in communication with him?—A. No.

Q. Quite frequent?—A. No, sir.

Q. Whatever you had to do with him—you are showing there is something behind it, don't you think so?—A. No, there is nothing behind it.

Q. Out with it?—A. Out with what

Q. As to what you know?—A. I don't know anything about it at all.

Q. The transactions you have had with him?—A. The only transactions I can recall with Mr. Boucher is two years ago we got an order for caps for buoy lanterns. That is about all; and I delivered them to him.

Q. Yes. How much did that amount to?—A. About \$50 to \$60, I guess.

Q. That all?—A. That is all.

Q. And what else?—A. Nothing else.

Q. Well, where were you in the habit of meeting him?—A. I never met Mr. Boucher any place, only on St. James street, Montreal.

Q. According to his statement he was playing the same game as you were part of the time?—A. Well, we did not have to play that in the same place. He has a different broker, he probably has a French broker.

Q. I see. Well, which one of the government ships was it you went to Quebec in?—A. I never went to Quebec in one of the government ships.

Q. Where was it then?—A. I never went on any government ship to any place.

Q. Where was it you went with Mr. Fraser on a trip in a ship?—A. I don't recall going anywhere unless it is from Prescott across to Ogdensburg in that boat they have got there. I don't know the name of it, a small boat.

Q. How often to Prescott, every week?—A. No, I haven't been there over a dozen times.

Q. Not over a dozen times?—A. No.

Q. I see. Mr. Fraser has certified in connection with these Brooks' accounts, at least the greater part of them. I think sometimes Mr. Noble's name appears. You saw Mr. Brooks when you were in New York as well in October?—A. Yes, sir.

Q. And September?—A. Yes, sir.

Q. That is the time Mr. Fraser was there with Mr. Brooks?—A. Not the same time, we were not together.

Q. But Mr. Fraser was along with Mr. Brooks?—A. No, that is I did not see him with Mr. Brooks.

Q. I want, my lord, to have this of official record. I do not know whether I ought to leave it in, but I wish it to be marked, because it is rather important, I think. I find a list of the purchases and the invoices are for the most part vouched by J. F. Fraser, the prices being fair and just, and in view of what this witness has said, I would like to have that marked. (Official file marked Exhibit 83). Perhaps it will be subject to be taken out to be returned.

Dr. ROSE.—You wish me to keep it in charge now?

Mr. WATSON.—Perhaps the clerk from the department, who is here, might like to take it. It will be all right if you give it to him.

By Mr. Watson:

Q. Well, now then, you know nothing about those lighthouses, you say?—A. No.

Q. Were you before the Public Accounts Committee more than the one year, this 1906?—A. No.

Q. Were you there again the next year, 1907?—A. No, I was not there in 1907.

Q. You don't want to go again?—A. No, sir, I had enough of it.

Q. You had enough of it?—A. Yes.

Q. Now, I see that at that time you said that the year ending June, 1905, the purchases for that year amounted to about \$162,000?—A. I don't recall—

Q. A grand total of \$162,000?—A. I don't recall the figures, but Mr. Northrup said he had them from the Auditor General's report, so I took it for granted they were true.

Q. Now, as to all those goods, all of them, do you still say that at that time you had no knowledge of the cost or profit?—A. I do.

Q. Then why did you not say that, instead of taking the position you refused to tell, because I find that is the position you took?—A. I don't recall that. I refused to approve of producing the books.

Q. Then I see at page 351 of the report at that time, it was in May, 1906, that you were asked about the contracts, you said there was a good deal of that, that is in connection with the contracts, done verbally in talking the matter over with Mr. J. F. Fraser and Mr. U. P. Boucher, what do you mean by that? Is that correct?—A. The preliminaries were generally talked over, that is as to what they would want. I was referred to them to find out, well, in case the size of buoys they wanted.

Q. But it was in connection with orders, you were being asked about your orders and how you came to get orders, and you say there was a good deal of that done verbally in talking it over with Mr. Fraser and Mr. Boucher?—A. Well, probably when they were arranging for these buoys I talked the matter over with Mr. Boucher and Mr. Fraser.

Q. You said a moment ago you never had anything to do with Boucher, except one little matter?—A. That is all. I don't recollect talking the matter over with Boucher.

Q. Well, it is here?—A. It is a mistake.

Q. It is a mistake?—A. It may be a typographical error.

Q. I don't think so. You are asked immediately after: 'Who is he?—A. He is in Montreal, Mr. Fraser is in Prescott' Not much of a typographical error about that, is there?—A. No, sir.

Q. You must be Irish?—A. I beg your pardon.

Q. You must be Irish?—A. Irish?

Q. You want to speak twice?—A. There is some Irish blood in me.

Q. Yes. You bring it out in the witness box all the time. You want to speak a second time on each question. Then, how can you account now for talking these matters over beforehand with Mr. Fraser in view of what you have said here before?—

A. What year was that in, Mr. Watson?

Q. That is May, 1906, when you were being examined?—A. These were buoys that were sold in 1903 or 1904.

Q. You were speaking of orders ending May that year?—A. No; they went away back.

Q. Well, you were speaking about general business, the orders covering that \$160,000 worth of trade?—A. Those were buoys they wanted for the swift current.

Hon. Mr. CASSELS.—For buoys?

Mr. WATSON.—Yes, my lord, \$160,000 for buoys.

WITNESS.—Oh, no, not for buoys alone. Those holders were all included in that; there must be lanterns and buoys also included.

By Mr. Watson:

Q. Yes. Then is this correct—you had nothing to do you have said two or three times—I feel like apologizing to the court for asking this so often—you had nothing to do with the Brooks & Co. transactions?—A. No, sir.

Q. Nothing at all, I see. Well, now, I see at this page, 362, that you were asked in this way: 'Now, we will take the goods that Brooks & Co. have sold, take page 55'—that is the Auditor General's Report; will you get me that, Mr. McClenagan?—'\$16,000. Look at the account of F. L. Brooks & Co. Were you the person who acted for Brooks & Co. in the sale of those articles described here?' Your answer was 'Yes.' Now, what have you to say to that in view of your previous statements here?—A. What is that.

Q. 'Look at the account of F. L. Brooks & Co. Were you the person who acted for Brooks & Co. in the sale of these articles described here?—A. Yes.'—A. I do not understand that at all. I do not recollect saying yes to any answer of that kind, because Brooks—

Q. Page 55; here it is?—A. Brooks made all these contracts himself.

Q. Here you are. That is a mistake for No, is it?—A. It must be.

Q. I see. A typographical mistake for No, is it?—A. It must be.

Q. It must be. Will you listen to the question following?—A. Yes.

Q. 'Just tell me how you came to make your bargain in reference to these articles.' Your answer is: 'They asked me what I could furnish them for. I gave prices and they ordered the goods.' Still a typographical mistake? There is the account, page 55 (indicating)?—A. I do not doubt the account at all.

Q. Look at it?—A. I do not doubt the account at all.

Q. How do you reconcile the statement you have repeated so often that you made no sales for Brooks & Co.?—A. Brooks made all his own sales; I still say so.

Q. What about that?—A. I still say that he made all his own sales.

Q. Well, listen to this?—A. Brooks would not come up there before the Public Accounts Committee.

Q. I would not say so much if I was in your position if you will allow me to make the suggestion to you. Just tell me how you come to make your bargain in reference to these articles that is the same lot \$16,000?—A. They asked me what I could furnish them for, I gave prices and they ordered the goods.

Q. The government approached you and asked you what you could furnish the articles for. You gave them the prices; they accepted the prices you gave and ordered the goods?—A. Yes.

Q. Who was the officer or representative of the government who came to you, who was the officer?—A. I beg your pardon?

Q. Who was the officer?—A. That what?

Q. That came to you about those goods?—A. I don't recall any officer who came to me about those goods at all.

Q. A poor memory. You say here 'I think that was J. F. Fraser. Q. The Fraser you have spoken of before at Prescott?—A. Yes.'—A. I recollect nothing of that.

'Q. Would the greater part of these articles on page 55, be ordered for the Prescott depot?—A. Yes. They were all ordered to the Prescott depot. Q. Did he give an order for them by letter or see you personally?—A. He gave me an official order for them, a letter? Q. By letter?—A. Yes. Q. Would the whole transaction be by letter?—A. No. Would these letters be written to you as an individual or to F. L. Brooks & Co?—A. F. L. Brooks & Co.' Now, how do you reconcile this condition of affairs?—A. I cannot recall anything of that kind at all.

Q. Well, it would appear from this your memory has departed, left you?—A. When you bring things like that in front of me it has. I can't recall that I gave testimony of that kind. As I say Brooks did all his own business there.

Q. Do you think what you were saying was untrue?—A. No, I don't think I said anything over there that was untrue.

Q. Have you any reason to doubt the correctness of what I have read?—A. It is so printed, but I cannot recall ever testifying to anything of that kind.

Q. Then listen to this: 'How do you account for Mr. Fraser knowing when to write to you as Mr. Merwin and when to write to you as Brooks & Co.?' That is rather, or rather was a problem, was it not?—A. I guess it was.

Q. How do you think he meant it, to discriminate?—A. I think when Mr. Fraser wanted to buy what I had to sell he wrote to me, and when Brooks he wrote to him.

Q. Here it is he wrote to you?—A. Whenever he knew I wanted to sell anything in the buoy lighting line.

Q. No, that is not it. 'How do you account for Mr. Fraser knowing when to write to you as Mr. Merwin and when to write to you as Brooks & Co.?—A. What did I say?

Q. 'A. He would write according to what material he wanted. If he wanted or any of them wanted anything relative to the buoys or lighthouse work he would write to me as agent of the Safety Company. Q. And if he wanted anything else?—A. If he wanted any submarine signal business he would write to me as their agent.'

Q. Then, if he wanted anything else in the world, outside of what these two companies sold he would write to you as F. L. Brooks & Co. Is that right?—A. They might have asked me that.

Q. That was a queer state of affairs, was it not?—A. That might have been asked. That was wrong.

Q. You seem to have a monopoly of the whole trade?—A. No, those questions were gotten up for the purpose.

Q. For the purpose of being put to you in the proper way.—A. They wanted to mix me up in the whole thing.

Q. Were you mixed up?—A. No, I was not. They hashed the whole thing together.

Q. But you said what was true on that occasion?—A. To the best of my knowledge I did now, the best I can recollect.

Q. You were asked again, 'I asked you before how you accounted for Fraser knowing when to write you individually and when to write to Brooks & Co.?' And your answer is, 'I have just explained that.

Q. How would he know?—A. Well, he knew what goods he wanted and he knew where to buy them?—A. That is perfectly clear.

Q. That is it?—A. That is perfectly right.

Q. It was always Merwin?—A. They tried to make believe it was always Merwin.

Q. You tried to make them believe it was always Merwin, too?—A. No.

Q. Well, now, you told the member who was cross examining you at that time, that you told Fraser about Brooks & Co.—A. I introduced them, if I don't make a mistake, I introduced Brooks to Fraser, that was a long time ago, when he first came here.

Q. And at the same time told him you were a partner?—A. No, the partnership was not formed when he first came here.

Q. But 1906, you told me you were a partner in 1905.—A. It might have been that time, I don't recollect the dates.

Q. Do Brooks & Co. deal in machinery?—A. He does a general contracting commission business.

Q. He does a general contracting commission business, but he is not a manufacturer?—A. No.

Q. Not a manufacturer?—A. No.

Q. Did you recommend him to go and buy from you as for Brooks & Co. machinery? Just try and think now.—A. I beg your pardon.

Q. Did you recommend Mr. Fraser to get the machinery from Brooks & Co. through you?—A. Through me? No, I did not.

Q. Eh?—A. I did not.

Q. Did you sell the Jones Underfeed stokers?—A. Brooks sold them.

Q. Did you sell them?—A. No, sir.

Q. Then listen to this: 'You have two Jones Underfeed stokers complete with engine, fan and boiler-front in position for service, \$2,550. Did you sell these?—A. Yes.'—A. Well now—

Q. What did you mean, Mr. Merwin?—A. I told you, Mr. Watson, they said I was a member of the firm.

Q. I am not asking you that. Why do you make one statement 'No' to his lordship, when you made the other statement 'Yes' before the Committee?—A. Now, as you get along into it I can see. I was acting as a partner there. I was supposed to be a partner of that firm. Come to find out I was only a creditor.

Q. Don't divert into something else?—A. I am not diverting.

Q. The question is, did you sell the goods?—A. I did not; Brooks sold them.

By Hon. Mr. Cassels:

Q. While Brooks sold, they were sold by you for Brooks?—A. They were sold through Brooks really.

Q. That evidence may be all wrong, but it is perfectly plain what it means, if you read it, whether Brooks was the owner and you sold for him or you sold as partner, or in any other way, the sales were made by you according to the statement?—A. Well, it is misleading.

By Mr. Watson:

Q. Well, let us see whether it is misleading or not, to find out where we are at with you. 'Did you sell those?—A. Yes. Q. To whom?—A. To the government. Q. But who was the individual?—A. Mr. Fraser. Q. Just tell me, if you can recollect that one item, how you came to sell those to Fraser?—A. He wanted to install two Jones underfeed stokers under two boilers at the Prescott depot, and he asked me if I could get them. He said he knew what Jones would furnish them for, and there was another Toronto firm would furnish them and he knew what they would furnish them for. He asked what I would put them up for.' Now, do you recollect that?—A. No.

Q. Don't recollect it at all?—A. No, sir.

Q. Well, what can we do with your memory, Mr. Merwin?—A. I don't know I am sure.

Q. Do you desire now to qualify your statement that you did not sell the goods for Brooks & Co.?

By Hon. Mr. Cassels:

Q. Were you misleading the Public Accounts Committee then or me now?—A. I beg your pardon.

I say, were you misleading the Public Accounts Committee then or me now?—A. Well, I hope I am not trying. I know I am not trying to mislead any one, my lord.

By Mr. Watson:

Q. We have it here?—A. I was talking there as a member of the firm.

By Hon. Mr. Cassels:

Q. Even if you were from what you stated there they are acts done by you?—A. Well, I made a mistake in not making it more plain.

Q. You see, it is one thing for Brooks to sell direct and it is another thing for you to sell for Brooks. You may have thought as a partner you were selling for yourself. That is not the point. The point is, did you make the sales? That is the question you were asked there?—A. Mr. Brooks made the sale.

Q. That is what you say now?

By Mr. Watson:

Q. How could that be?—A. I was acting for Brooks on that stand. He would not come up. I wanted to make out and show the people it looked right.

By Hon. Mr. Cassels:

Q. But really you could not put yourself in Brooks' place?—A. How could I sell machinery when I hadn't the least idea—

By Mr. Watson:

Q. Listen here. 'He asked what I would put them up for?' Q. That is, Mr. Fraser suggested the price to you, was that it?—A. No, it was not. He told me he knew what they would put them in for, and the suggestion was to get down underneath these fellows. I did not know what Jones would put them in for or what the Toronto firm wanted for doing that work. Q. Let us understand. You and Fraser had a conversation?—A. No, he wrote to me.

'Q. It was all in writing? He told you by letter he wanted these stokers?—A. Yes. Q. He said he knew what those other people could do it for?—A. He said he had been communicating with these Jones Underfeed people and he had also communicated with other Toronto people.' Is that all manufactured?—A. No, I don't think it is all manufactured.

Q. Is it true now?—A. I had a memorandum that Brooks gave me that I was talking from.

Q. Did he write to you?—A. Personally?

Q. Yes?—A. No, he did not.

Q. Did he write to Brooks & Co.?—A. He wrote to Brooks & Co.

Q. Then how did you come to act for Brooks & Co.?—A. As I told you, Brooks would not come up and could not come up.

Q. That is not the question?—A. Brooks & Co. asked me to do this.

Q. Asked you to give evidence for him?—A. He asked me to give evidence for the firm and gave me this memorandum that I had.

Q. Well, it is deplorable?—A. It was not right, I know that. I had ought to have done just as I am doing now, let Brooks look after himself. That is what I ought to have done.

Q. You see, you go on repeating it here.

By Hon. Mr. Cassels:

Q. You called yourself Brooks for the purpose of the examination?—A. Yes.

By Mr. Watson:

Q. I see. You have heard of Mr. Hyde, I suppose?—A. Who?

Q. Hyde and Jekyll?—A. Yes.

Q. 'He said he had been in communication with the Jones people and also with another Toronto firm?—A. Yes. Q. And he knew what the Jones Company would charge?—A. Yes, what they would charge him.' You did not know about that, did you?—A. No.

Q. You did not know that at all?—A. No.

Q. That was just padding, filling up, was it?—A. I guess that is what it was.

Q. Just padding. 'And then he asked you for a tender?—A. He asked me what I could furnish them for. Q. And you told him for \$2,250.' Of course you had talked this beforehand; before you gave the evidence you had talked it over with Brooks and Fraser?—A. No, I didn't talk it over with Fraser.

Q. What occurred between you and Fraser then?—A. Nothing at all.

Q. He was there in the room and heard you give evidence?—A. He was there some of the time.

Q. And he heard you give some of the evidence?—A. Maybe he did.

Q. You know he did?—A. I won't say positively. I couldn't see everybody in the room all the time I was there.

Q. Did you know he was supposed to be in attendance?—A. I didn't know whether he was or not.

Q. Did you ever speak to him afterwards about having given that kind of evidence?—A. No, sir. The thing got so deep I didn't want to have anything more to do with it.

Q. Eh?—A. I say it got too deep for me; I didn't want to have anything more to do with it.

Q. Too deep in the mire. Now, you know from what you heard at that time that the same goods could have been bought from other places at less than a thousand dollars apiece for which you were charging \$2,550; you heard that at the same time?—A. I recollect they made some statement of that kind.

Q. I suppose you have no doubt that was the fact?—A. No, I won't say anything about that. I don't know whether it is the fact or not.

Q. Then, did you have anything to do with fixing the price, \$2,550?—A. No, sir, I did not.

Q. Nothing to do with that?—A. No.

A. You don't know whether it was a reasonable price or not?—A. No.

Q. Manifestly it was an unreasonable price?—A. I cannot say anything about it. I do not know.

Q. You learned that day, from what was said, they could be bought at less than a thousand dollars at other places?—A. I don't think so.

Q. \$990?—A. What?

Q. Apiece. Those stokers could have been put in by other people at \$990 each. Does that make any impression upon you?—A. Not in the least; I don't recall that.

Q. That would not be much difference anyway, I suppose. Would you think that an unreasonable profit?—A. What was it.

Q. The difference between \$990 and \$2,550. Do you think that a fair square profit?—A. On what was it?

Q. On the stokers?—A. I don't know what a stoker is worth.

Q. I see. Have Brooks & Co. a warehouse here at all?—A. They have in New York.

Q. Oh, yes, in New York. But here; did they have one here?—A. Not to my knowledge.

Q. They did not have any warehouse; they did not have any supply of goods on hand?—A. Not to my knowledge.

Q. I see. If you had known at that time that the Caledonia Iron Works and other such houses would have supplied those stokers at a thousand dollars each, would you have given that evidence?—A. If I had known that they would, I had to give the evidence, the figures they were sold at, I suppose.

Q. You would have to give evidence just the same?—A. I had a memoranda at that time of all the goods he sold and talked from that.

Q. You were there for the purpose, of course, as you stated before?—A. I was appearing for Brooks.

Q. Representing Brooks. That is the full statement of that circumstance, I suppose. Now, then, what did you have to do with Williams & Wilson?—A. Nothing at all.

Q. Eh?—A. I had nothing to do with them.

Q. What did you know about their business?—A. Nothing; I know that Brooks bought a great deal of stuff from them.

Q. That Brooks did?—A. Yes.

Q. But were you still swearing for Brooks in connection with the Williams & Wilson transactions?—A. Well, Brooks bought his stuff from Williams & Wilson.

Q. I did not ask you that. You were still representing Brooks in giving that evidence?—A. Yes.

Q. Just in the same way. Because I see you go into the matter in very considerable detail in connection with the purchases from Williams & Wilson and delivery to the department. Do you recollect that you gave all the circumstances about that?—A. Well, I can't recall that now.

Q. I see. Here it is: 'The next item is one Beatty hoisting engine, 3 drums, double cylinders, complete, \$1,100.' Your answer is 'Yes.' Q. From whom was that purchased?—A. Williams & Wilson. Q. Of Montreal?—A. Yes. Q. Where was that delivered?—A. It went to Prescott. Q. Delivered by you at Prescott?—A. Yes.' A. F. L. Brooks & Co

Q. I see. 'So this price of \$1,100 would be as delivered by you at Prescott?—A. I would not be sure about that. On some of that material we paid the freight and on some of it the government paid the freight; I will not be positive about that. Q. Then there are a number of lenses, 29, \$4,750.50?—A. Yes. Q. From whom were they purchased?—A. They were purchased from Barbier, Bernard & Turrenne of Paris. Q. Where were they delivered?—A. They were delivered at Prescott. Q. By you?—A. Yes, sir.'? Still Brooks & Co.?—A. F. L. Brooks & Co.

By Hon. Mr. Cassels:

Q. Where were those lenses put in?—A. I could not tell you, my lord.

By Mr. Watson:

Q. Do you appreciate that when you were making those statements you were committing a crime?—A. No, I didn't think I was. I was acting as a member of the firm. If I had thought I was committing perjury I would not have done it for a moment.

Q. Did you buy them from the Dominion Bridge Company, the steel derrick, any of these things? The next item says: 'Steel derrick as per plan, two blocks and 550 feet wire cable, \$1,250.' From whom was that purchased?—A. That was bought from the Dominion Bridge Company, of Montreal.

Q. Did you have any knowledge about that?—A. I can't recollect what it was.

Q. Did you have any knowledge about those things at all?—A. I must have had a memorandum. I had a memorandum from Brooks as to where the goods were purchased. He furnished me that from his books.

Q. Well, I suppose we know what the condition of affairs is, although it is very deplorable, I should think, from your standpoint. Did you appreciate that at that

time you were deliberately deceiving and defrauding the department as well as the committee in giving that evidence?—A. No, I didn't think I was.

Q. You did not think you were?—A. No, how was I?

Q. You will easily understand my question is a strong one?—A. How was I defrauding them?

Q. Here it is by us. Why were you representing your purchases of those goods and your personal knowledge of those matters?—A. Acting as a member of the firm, evidently. I was talking from a memorandum.

Q. Who knows?—A. The committee.

Q. The committee knew you had no personal knowledge of those matters?—A. Yes. There were five or six of them asking me questions.

Q. And knew you had no personal knowledge?—A. Yes, I explained it to them.

Q. No. It is not of record here?—A. In the room where they first called for Brooks, and put his clerk on the stand, his shipping clerk, he told them, I think, if I recollect it, he told them I was a member of the firm, and they dismissed him and had me on.

Q. Colonel Gourdeau was present during that investigation as well?—A. I don't know whether he was or was not.

Q. Did you not?—A. No.

Q. Was he not present?—A. I don't recollect seeing him in the room.

Q. Did he ever speak to you about those matters afterwards?—A. No, he did not.

Q. He did not?—No.

Q. And do you know anything about an undewriters' pump that was purchased for \$1,550?—A. I believe there was a large pump.

Q. Did you have any personal knowledge about that at all?—A. No, no personal knowledge.

Q. Which you said you had sold and had delivered to the department?—A. Well, I was talking as a member of the firm of F. L. Brooks & Co. at the time; that is over three years ago; I can't remember everything that happened then.

Mr. WATSON.—Really, my lord, in view of this condition of affairs I do not see I would be assisting your lordship in arriving at any conclusion of the facts.

Hon. Mr. CASSELS.—I suppose that evidence will be put in.

Mr. WATSON.—By pursuing this testimony?

Hon. Mr. CASSELS.—No. Put in the evidence. He considers at that time he was a member of Brooks' firm when he was giving that testimony. Speaking for himself, he really intended to speak for the firm, believing himself a member. That is the explanation sought to be given.

Mr. WATSON.—Yes, my lord.

By Hon. Mr. Cassels:

Q. What I would like to know is this—did you advise Brooks to remove his books from Canada?—A. No, sir, I did not.

Q. Have you had any communication with him about them?—A. No, sir, I have not.

Mr. WATSON.—There is so much evidence in that way that I do not feel justified in taking more time with Mr. Merwin.

Hon. Mr. CASSELS.—No.

(Report of the Public Accounts Committee, session 1906, marked exhibit 84.)

Mr. WATSON.—Then, if your lordship pleases, in the morning I will take up Mr. Boucher, and I am inclined to think we shall be able to finish about luncheon time.

Hon. Mr. CASSELS.—Is he the last witness?

Mr. WATSON.—I think so. There may be another short one, but I am in hopes of finishing at luncheon time. Perhaps we had better adjourn to 10.30 to-morrow.

Hon. Mr. CASSELS.—Would not 10 o'clock do?

Mr. WATSON.—If your lordship pleases.

Hon. Mr. CASSELS.—If you are sure of getting through.

Mr. WATSON.—I do not think there will be any difficulty.

Hon. Mr. CASSELS.—Then adjourn to 10 to-morrow morning.—Very well, my lord.

Mr. WATSON.—(Adjourned at 4 p.m. to 10 a.m. to-morrow, Friday, October 9.)

Commission resumed at 10 a.m. October 9, 1908.

Mr. WATSON.—My lord, I am sorry to say—I hope it is through some misunderstanding—Mr. Boucher is not here yet.

Hon. Mr. CASSELS.—Mr. Watson, in regard to Mr. Merwin's evidence yesterday, do you propose to defer until we get to Ottawa the evidence in regard to the prices paid for those particular things and the ruling market rates at that time?

Mr. WATSON.—Yes, my lord, quite so. I regret to say it just so happens that I have not the material in quite as satisfactory form in details as I could wish.

Hon. Mr. CASSELS.—The matter can equally well be done in Ottawa.

Mr. WATSON.—Yes, my lord. It is a matter I shall have to ask your lordship to consider.

Hon. Mr. CASSELS.—It seems to me it will be necessary now first of all to put in all the contracts in order of time; secondly, to find out the prices paid; and, thirdly, to find out the ruling market prices, in order to see exactly, whether over payments, if any, have been made. That becomes more material now, more——

Mr. WATSON.—More than was before apparent to us?

Hon. Mr. CASSELS.—Yes, to implicate others.

Mr. WATSON.—Then, in addition to the material which, no doubt, will be found on record in the department I will find it necessary to bring before your lordship some other witnesses on the same subject.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—The way the matter is tending now, I anticipate it may be necessary to have another sitting at Ottawa, and perhaps considerable time will have to be expended there in review, not merely of these matters, but of matters that have already been touched upon.

Hon. Mr. CASSELS.—I made a jotting of some matters that have to be taken up in Ottawa. First, in regard to the Merwin and Brooks contracts, it will be essential to have all the contracts produced and particulars of the prices paid in order to see whether more than the current market rates were paid. Then the evidence given yesterday may necessitate the calling of some other officials in order that, if possible, the truth of the charges implied in Merwin's evidence may be ascertained. The matter will have to be thoroughly investigated.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—Then that diaphone has to be cleared up. It is essential that the cost of the plant be gone into and the contract with the patentee.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—Then the Willson buoys, in fact have not been considered at all, as to the cost.

Mr. WATSON.—Yes, my lord, I will have all those matters, I hope, in shape.

Hon. Mr. CASSELS.—The records in the department ought to be gone through.

Mr. WATSON.—Yes, my lord, I will have all those matters in the best form.

Hon. Mr. CASSELS.—The Auditor General's charges against Colonel Gourdeau will be shown on the record.

Mr. WATSON.—I will have to recall the Auditor General.

Hon. Mr. CASSELS.—Then the Prescott administration will have to be gone into. However, that can all be done at Ottawa.

Mr. WATSON.—Yes. As we proceed and develop through the evidence, it is quite apparent there is a great deal more to do in Ottawa than I at first anticipated.

Hon. Mr. CASSELS.—The experience yesterday was like drawing teeth. It is difficult getting at the facts.

Mr. WATSON.—Yes, my lord. There are several officials, I do not hesitate to say, who will have to be put upon the stand again and the closest kind of examination made.

Hon. Mr. CASSELS.—Yes. But yesterday's experience was like drawing teeth.

Mr. WATSON.—Quite so. I am sorry now I did not send a personal communication to Mr. Boucher. I did not think it would be necessary, my lord.

Hon. Mr. CASSELS.—Have you telephoned to him this morning?

Mr. WATSON.—Yes, my lord.

U. P. BOUCHER, recalled.

By Mr. Watson:

WITNESS.—I beg pardon to the court. I thought it was half past ten this morning the inquiry would begin.

By Mr. Watson:

Q. Then, Mr. Boucher, were you able to find any more records in your office with regard to the receipt of moneys or of cheques that were deposited in your own account, outside of this bank-book?—A. No, sir, all I found was my advance from the government last year.

Q. This is June 4th, 1907?—A. Yes, but that is refunded only this year.

Q. And where is the record of the previous advances as you speak of them?—A. Well, I couldn't find them, because after I had remitted by my personal cheque the advance that I have received I have no use for it, only this was the last one and I kept it. It may be in the office for all I know, but I could not find it.

Q. Have you looked?—A. Yes, sir, I have.

Q. And then your cheque-books current with this bank-book, where are they?—A. As I told you before, all I have is the one I gave you, three months old.

Q. Yes, that is all. But have you searched for the others since you were last here?—A. I was quite sure and satisfied the first time I told you I had none.

Q. Have you searched since?—A. Yes, sir, I have searched in my desk, that is the only place they could be.

Q. I see. Then have you knowledge of the destruction of these?—A. How is that?

Q. Have you any knowledge of destroying them?—A. I recollect throwing them in the waste basket.

Q. You recollect that?—A. Yes, sir.

Q. When was that? Last June?—A. It was all the time. As soon as I was finished with one I would take the balance on the other one, and two or three months after, say a month after, the other one I had no use for.

Q. You had no use for it?—A. No, sir.

Q. And that was the course, you say, that was pursued by you?—A. Sure.

Q. And having in mind the responsible position that you occupied and that you had deposited these cheques to your credit in your own account, did it not occur to you that there was a special necessity of preserving the record of the application of that money?—A. I never thought so. I will say why. I received a fixed sum from the government at the beginning of every fiscal year—

Q. I am not having that in mind. Perhaps you will make your statement if you like.—A. And when the pay-lists would come at the office from Sorel I would issue my personal cheque to the resident engineer or superintendent of works at Sorel, and then I would send that pay-list on to Ottawa and I would receive the same amount and the same cheque from Ottawa to my name, which I would deposit in my bank, but when

I deposited that cheque in my bank, the men working at Sorel were already paid by my own personal cheque.

Q. Yes, I understand.—A. So I always owed the same amount to the government and the men were always paid before I was reimbursed on that advance from the government.

By Hon. Mr. Cassels:

Q. I do not understand. Do you mean to say you advanced moneys out of your own pocket?—A. No. On the advance I had received from the government at the beginning of every fiscal year.

Q. Then you would send the pay-lists up to Ottawa receipted?—A. No. As soon as I received a pay-list from Sorel I would certify it correct, and then I would send my personal cheque right away to Sorel on that advance from the government, and then I would forward the pay-list to Ottawa, and they would reimburse me, say in seven or eight days after.

Q. Then I understand there was nothing to reimburse you for?—A. Yes, the same cheque.

Q. Not according to your statement. As I understand it the government would put you in funds at the beginning of the fiscal year?—A. Yes. Say \$2,000.

Q. Say \$2,000 for illustration. A pay list would come from Sorel?—A. Yes, say, \$1,700

Q. Say \$1,700. Now, you would send your cheque for \$1,700 to Sorel?—A. To Sorel.

Q. And you would get the pay-list back?—A. I sent that on to Ottawa.

Q. That still left you \$300?—A. Yes.

Q. Then the government would remit you another \$1,700?—A. They would remit me \$1,700 which I would deposit in the bank so as to keep always my advance at the same amount.

Q. So as to keep you in funds to the extent of \$2,000?—A. Yes. That is why I never kept a cash-book. I never needed it, I was always reimbursed the same amount I disbursed.

Q. Then you must have always had on hand, except for two or three days (\$2,000 of government money?—A. No. The pay-list would come every fortnight. I would be out the advance I would receive from the government for 7 or 8 days, because it took more time from Ottawa to receive the cheque than they would receive my cheque.

By Mr. Watson:

Q. Of course, what you say now, to my mind, is an additional reason for your keeping exact records of what you did with the money, because you were dealing with the money of the government or the department. Now, wait. you appreciate that?—A. Yes, sir.

Q. It was not your own money?—A. No, sir.

Q. It was money you received which you deposited to your own personal account and credit, you afterwards dealing with that money, and you kept no record of what you did with that money; is not that so?—A. It is so, but I was checked by my own cheque I would receive and had to send to the government every month.

Q. Certainly. The cheque you received from the government?—A. That I issued myself, I would get it back from the bank.

Q. Where is the record of that money?—A. It is in Ottawa, they have got them all there.

Hon. Mr. CASSELS.—The witness means his accounts were verified by the government.

By Mr. Watson:

Q. They have a pay-list?—A. Yes, and the cheque that I had issued was returned after every month to the government.

Q. Now, now, Mr. Boucher, just think what you mean by that. You issued your own cheque?—A. Yes, sir.

Q. In the payment of wages according to the pay list?—A. Yes.

Q. That cheque came back to you?—A. Yes.

Q. It is your property?—A. Yes.

Q. Where is it?—A. I forwarded it to the government, they have got it on record.

Q. The cheque you sent?—A. I issued my personal cheque.

Q. Now, I am informed quite to the contrary of that?—A. Well, you will find them all on record there in Ottawa.

Q. The cheque out of your cheque-book that you signed?—A. For every cheque that I issued for a pay-list, they have got them there in Ottawa.

Q. They have got what?—A. My personal cheque was returned to me every month, every month I would return the cheque I would issue on the pay-lists.

Q. Every month?—A. Every month.

Q. Chequed to whom?—A. To the superintendent of works or resident engineer in Sorel?

Q. In Sorel?—A. Yes, in Sorel.

Q. And you state now that all your cheques issued on departmental account, signed by you have been sent to Ottawa?

Hon. Mr. CASSELS.—He did not say that, Mr. Watson. He said every cheque that was signed by him for a pay-list was annexed to the pay-list and returned with the pay-list to Ottawa.

By Mr. Watson:

Q. That is in respect of the pay-list?—A. In respect of the pay-list. I never issued cheques for paying any account.

Q. Then were those limited to the pay-list?—A. It has always been limited to the pay-list.

Q. I see. Well now, take the month of August, 1908, where this ends, can you point out any cheques there that were issued on departmental account?—A. No, sir, because the system is changed, and the paymaster of the shipyard in Sorel now pays the men himself.

Q. Then that system was changed recently, at what date?—A. At what date? At the beginning of the season.

Q. When was that?—A. In June, I suppose.

Q. Well, do you know?—A. I am not sure, but I know I had——

Q. When is the beginning of the season?—A. It is in April, but they don't begin to work in April.

Q. Well, June, it was changed in June. We will go back beyond June when the system was changed.—A. You will have to go back to last season.

Q. We will take March, 1908, that was before the season was changed. Now, mention to me there, look at that (indicating) mention to me any cheques that were issued out of your own account for departmental purposes.—A. Well, March—May, that is May, 1908.

Q. Well, 1908. I thought that was March. May, is it? All right.—A. That is May.

Q. Well, any in May?—A. Well, in May this year, I see since the beginning of the season I have not issued any cheque.

Hon. Mr. CASSELS.—Is there any deposit between March and May from the government?

By Mr. Watson:

Q. Do you find any deposit there of departmental money? Is that May, that looks like March.—A. May.

Q. There, for instance is a deposit May 30th, \$1,500. Where did you get that?—A. That is a loan.

- Q. What?—A. That is a loan that I made.
 Q. A loan that you made?—A. Yes, sir.
 Q. I see. You were loaning money at that time.

By Hon. Mr. Cassels:

- Q. Borrowing?—A. I borrowed.

By Mr. Watson:

- Q. Oh, that is a deposit, yes. \$1,500. Then there is another one, \$492.5.—A. That is the two, that is for board on the *Shamrock* and *Acetylene*.
 Q. For board on the *Shamrock* and the *Acetylene*.—A. For the men.
 Q. \$492? Is that right?—A. Yes.
 Q. June 3rd, you recollect that, do you?—A. I recollect that by the amount.
 Q. That is money you received, a deposit. Look up in that cheque-book then, and show me where that money was paid out.—A. What is the month?
 Q. June 3rd, 1908.—A. Well, this is June, that is the 6th month?
 Q. Yes.—A. Well, I received that and I paid what I—
 Q. Let me see where it is paid out, give me the cheque representing that amount, or have you still got that in hand?—A. No, I have deposited.
 Q. I know it is deposited in your own credit, in your own bank account. Now, show me where that went out from your bank-account.—A. Well, I paid the merchants for groceries.
 Q. Let me see the entries, the entries for the cheques.—A. Well, the 5th of the 6th month I paid to the baker here \$16, and paid \$86 here to Burlack, that is for provisions, \$109 that is.
 Q. Then that is what?—A. That is for meat and 32—
 Q. Yes.—A. That is about what I disbursed in cheques.
 Q. But that is \$244 according to that out of \$492.—A. Oh, yes, but the steward has cash to buy, whenever he wants to buy provisions apart from that.
 Q. I am asking for cheques. The money could not get out of the bank except by cheque?—A. For the cheques? I told you I did not have the cheques.
 Q. But there is the stub of the cheque-book?—A. Yes.
 Q. You enter in the stubs the cheques issued?—A. Well, they should appear here.
 Q. No, no. They should appear in the cheque-book, in the stubs of the cheque-book.

By Hon. Mr. Cassels:

- Q. Were all these cheques taken from the cheque-book? He might have gone to the bank and taken a loose cheque?—A. Well, I give each to the steward on board and these are cheques where they get provisions on the credit of my name.
 Q. Did you ever draw money out of the bank?—A. Yes. I give money to the steward so as to buy provisions.
 Q. You don't let me put the question. Wait and hear my question. What I want to know is this: did every cheque you drew on the bank for moneys come from your own cheque-book?—A. Well, I don't understand the question, my lord.
 Q. I have got a cheque-book; very well. Now, sometimes I go to the bank and have not my cheque-book with me. Well, I will go to the bank counter, take a cheque, draw it and cash it?—A. I do that very often.
 Q. Then where are we so far as the record goes?—A. That is the trouble?

By Mr. Watson:

- Q. Where are the cheques?—A. The cheques, as I told you—
 Q. Where are they entered here in the stub cheque-book?—A. That is the name that was placed on the cheque I issued.
 Q. I know. That amounts to \$244.62?—A. Yes.
 9201—24½

Q. Where is the balance of the \$490?—A. Well, I take cash and give it to the steward.

Q. Well, you could not take the cash without getting it out of the bank on cheque?—A. Here is self, \$25; self, \$25.

Hon. Mr. CASSELS.—Does his cheque-book show the balance from time to time?

Mr. WATSON.—No.

WITNESS.—Here is a statement, \$1,910. That was for a pay list, \$1,910.

Mr. PERRON.—Let us get rid of this \$490 first.

Mr. WATSON.—That is what I am dealing with.

WITNESS.—I had \$244. That would be credit by my steward during the month that I paid by cheque at the end of the month. The balance I gave him cash to buy whatever he needed.

Q. Gave him cash?—A. Always as cash.

Q. Where did you get the cash?—A. At the bank.

Q. Where is the record of the cheque?—A. Well, you see, here is \$50, self, I should have given him some of that.

Q. But meantime you had got another \$1,910?—A. No, that was not for me. That was for the government. That is for me, self. Statement No. 13 means to the government.

Q. Self, that is \$50?—A. And it would be a month before I would be given cash.

Q. No, it would not be a month before?—A. Yes, for the expenses of the month.

Q. Here is the deposit of \$492, June 3?—A. When I received the \$492 I had spent the month before what was needed for that month to feed the men.

Mr. PERRON.—If you cannot express your meaning in English say it in French.

Mr. WATSON.—He is getting along very well.

Mr. PERRON.—He asked me this morning if he might give his evidence in French, he wanted to give it in French. I told him he had better speak English so that Mr. Watson could examine him, my lord. I think he is in trouble now, and I am in duty bound to tell him he is entitled to speak French if he wants to.

Hon. Mr. CASSELS.—The witness must have fair play if he cannot understand.

Mr. WATSON.—Yes, where he does not understand.

Mr. PERRON.—I think he understands, but I am in duty bound to state what occurred this morning, because it is at my request he is giving his evidence in English.

Hon. Mr. CASSELS.—Is it a fact that those accounts were audited three times a year by the department in Ottawa?

By Mr. Watson:

Q. I am coming to that. I just want to see if I can get any better explanation of this \$242?—A. Yes, \$492 I received.

Q. From the department?—A. On June 3. Now, I had spent that in May, but those cheques were issued at the end of the month, but the balance that I spent in cash was during the month of May when I gave cash to my steward.

Q. Then you always had—you have told his lordship you always had funds on hand from the department, so that that money paid in May was paid out of departmental funds, no doubt?—A. I have always had in my bank more money than the advance that I had from the government.

Q. Well, wait, please. Certainly, I hope you have had.—A. Then I would use it for my own purpose.

Q. Of course. But the point is this: you said you were always in funds from the department, they made advances to you out of which to pay, to make special payments, and you always had sums on hand for that purpose, is that right?—A. Yes, sir.

Q. Well, now then, that being so, the payments in May must have been made out of the funds that you then had on hand; and what became of the \$492? We get back to it.—A. Well, I had \$2,395 in the bank.

Q. Oh, don't get away from that. You are only adding to it. I want to know about the \$492, not the \$2,000. The \$492, we have cheques as you say, out of that amounting to \$244.—A. That is what I took in credit at the different merchants during that month, that I paid at the end of the month, and the balance was paid in cash.

Q. Oh well, paid in cash out of the bank?—A. No, not out of the bank; of the money that I gave to the—well, you see I have here \$25, \$25, \$250 that I drew.

Q. Never mind about that. That is only confusing to refer to those things. You had money in hand from the department out of which your payments were made, and that being so you get another payment of \$492 from the department.—A. But that the department owed me.

Mr. PERRON.—Why did you not say that before?

By Mr. Watson:

Q. What is that?—A. That the department owed me for feeding the men the previous May.

Hon. Mr. CASSELS.—For the previous payments made in May, he says.

By Mr. Watson:

Q. But you had money in hand from the department out of which large payments had been made.—A. I have for the pay-lists, but no money for the grub of the men.

By Hon. Mr. Cassels:

Q. Was any complaint made by the department that moneys which were remitted to him had not been expended?—A. Everything has been.

Mr. WATSON.—Well, my lord, of course, incident to the inquiry as to the acts and conduct of the officials I must make in a way search independent of information that I get, and I am not in the position of having definite information about it from the department.

Hon. Mr. CASSELS.—It is perfectly manifest, as far as this witness goes, that he has not kept a record to enable him now to make up an account.

By Mr. Watson:

Q. That seems to be so?—A. That seems to be so?

Mr. PERRON.—He does not understand the question. (To Witness). When you do not understand the question you had better so state to the Court.

By Mr. Watson:

Q. Can you make up a statement of what you have done with the moneys you have received from the department during the last three years?—A. I could not, because I have not kept records.

Q. That is just the point.—A. But at the end of every fiscal year he found all the money I owed the government.

Q. Well now, it was stated that inspections were made sometimes by other officials from the department?—A. Yes, sir.

Q. Is that so?—A. Yes, sir, it is so.

Q. When was the last inspection made?—A. When the experts that were to change the bookkeeping.

Mr. PERRON.—They are asking you when.

By Mr. Watson:

Q. When was the last inspection made?—A. About two months ago.

Q. You mean only in August of this year?—A. Well, it might have been July or August.

Q. July or August of this year. And who was here at this time?—A. I think Mr. Mann was here.

Q. Those are men acting under Mr. Faulkner, were they?—A. Mr. Faulkner.

Q. They examined the books?—A. They examined the books and examined my cash-book, my bank-book rather.

Q. Then you produced the records to them?—A. No, I produced the stubs when I paid.

Q. Did you produce any other books than these two, this cheque-book and the stubs?—A. I only produced my bank-book and that stub.

Q. These two exhibits?—A. Yes.

Q. They could not make much out of those, could they?—A. They knew I had so much from the government; that is all they needed to know; my bank-book, they saw from that I had more in the bank than my advance.

Q. Now, when was the last inspection before that time?—A. Some time last winter.

Q. By whom?—A. I think Mr. Faulkner came himself or one of his assistants.

Q. Oh, yes, and when before that? Any time before that?—A. I think last year also, during the middle of the season.

Q. Who came?—A. Mr. Faulkner himself.

Q. Oh, Mr. Faulkner. Yes, that was in connection with establishing a new and different system in the department, was it not?—A. Yes, sir.

Q. But what I want to know is, whether, apart from Mr. Faulkner and his establishing a new system, there was an inspection and an examination of your accounts by any official?—A. Yes, sir. Some came down from Ottawa.

Q. When?—A. Last summer, some time last summer.

Q. That would be in connection with Mr. Faulkner?—A. No, sir.

Q. Who came down?—A. Mr. Boudreau, the assistant accountant.

Q. Who?—A. Mr. Boudreau, the assistant accountant.

Q. Mr. Boudreau, the assistant accountant?—A. And he went over my books in the office and then he went down on Lake St. Peter to see if there were so many men on the works as there were on the pay-lists, and he reported that everything was O.K.

Q. Yes. What books did he see in your office?—A. He saw our ledger there and our copies, the third copies of all the accounts.

Q. Yes. The ledger. But did he see the record of your bank-account?—A. Yes, sir, he saw I had more in the bank than my advance.

Q. He saw more in the bank than your advance; but did he see the record of what you had done with the moneys you had received from the department?—A. They knew in Ottawa by the cheques I return every month that I issue my cheque to pay the men on the pay-list that they send to me.

Q. Did he have these cheques with him?—A. No, they have them in Ottawa.

Q. If it turns out that you may be mistaken about that?—A. I cannot be making a mistake.

Q. You cannot be making a mistake about that?—A. No, I return them at the end of every month. After I got them from the bank I took the one belonging to the government, or the two or three and sent them to the government.

Q. Then is there anything in that ledger to identify the payments made by you?—A. Sure.

Q. Can you pick out from that ledger the payments made by you of the moneys that were deposited in your own account received from the department?—A. I could pick out some I am sure.

Q. Well, we will just pass it over for the present.

Hon. Mr. CASSELS.—This cheque-book seems to be something more than a mere cheque-book, because it contains entries of the parties to whom the money went. For instance, he drew a cheque for \$80 here. Well now, that is self, \$20, Raymond \$22 odd, cash \$22 and two other amounts. He sets out in full another one, Buron, \$16.13, Clamont \$86.18, Beaulac \$109.94 and Magnan \$32.37, making up a total cheque of \$244.62. So it practically contains, except cheques to himself the names of the parties to whom they went.

Mr. WATSON.—That is an amount of \$244. What I want to get is beyond that, if I can.

Hon. Mr. CASSELS.—What he says is this: there is money received from the government, there are the vouchers for the payment to the different government employees, and the balance in the bank is larger than the balance the government had.

Mr. WATSON.—That is what he says, my lord.

Hon. Mr. CASSELS.—That is his way of putting it.

By Mr. Watson:

Q. Now then, you presented this statement, June 4, 1907, remitting to you cheque 1286 for a thousand dollars?—A. Yes, sir.

Q. What does this mean, written under it, \$3,000?—A. Well, I received \$3,000 later on, I received \$3,000 later on anyhow, and then it was refunded at that date.

Q. What was refunded?—A. \$4,400. Here it is, I think.

Q. Refunded to whom?—A. To the government at the end of the fiscal year, so as to balance.

Q. Let us see the cheque for that?—A. When was that?

Q. Whenever it was refunded?—A. The 6th of the 4th—January, February, March, April, well, I haven't got April here. Here is my cheque \$4,400.

Q. April 6th?—A. Yes, sir.

Q. Marked there as being paid?—A. Refunded.

Q. Then why did you refund the moneys to the department? Why did you not apply those moneys to wages accruing?—A. At the end of the fiscal year all advances have to go back to the government so as to balance their books, and then they send out a new advance on the new fiscal year.

Q. And what was the total of your yearly advance?—A. It was never the same.

Q. About what was it?—A. It went from \$500 to \$4,400.

Q. And how long would any of that money be in your hands or in your bank to your credit before it was paid out?—A. Never more than a fortnight, because we make the pay-list every fortnight and then it would be out for seven or eight days, sometimes more.

Q. Now then, who is Tremblay?

Mr. PERRON.—Eugene?

By Mr. Watson:

Q. Eugene Tremblay?—A. He is a clerk in the office at Sorel.

Q. What are his duties?—A. To receive the timekeepers' books and to make the pay-lists.

Q. To receive the timekeepers' book?—A. Books, because there are several.

Q. And to prepare the pay-lists?—A. Yes.

Q. Is that right?—A. With another clerk that always helps.

Q. Then what does he do with it?—A. He makes out the paylists, and then has them certified by the resident engineer and the superintendent of works there, and then they are forwarded here.

Q. Then, have you any means of knowing whether the pay-lists are correct?—A. I have to rely on the whole chain, from the timekeepers up. After they have been certified by the resident engineer and the superintendent of works, I have no reason to doubt they are not correct.

Q. Did you ever pay any cheque or remit any money to Colonel Gourdeau?—A. Never.

Q. What?—A. Never.

Q. Did you ever make any payment to him directly or indirectly of any sum, for instance of about \$190?—A. Never.

Q. Let me see that. Try and think now, Mr. Boucher, about that?—A. I am quite sure.

Q. Well, what about that \$190?—A. I know nothing about it.

Q. What did you hear about it?—A. Well, I heard that the young Tremblay said that I had, but I say it is a falsehood and I never paid any money to Colonel Gourdeau, and what is more is we have never been on good terms, and if he needed money he would not have come to me for it.

Q. I see. You heard that Mr. Tremblay said what?—A. That I had paid \$190 to Mr. Gourdeau.

Mr. PERRON.—Now this statement would be all right if made in French; it is entirely wrong in English, I mean as far as it is construed. I must in fairness to the witness draw his attention to it. He said—(to the reporter)—Will you please read his answer. (Reporter reads answer beginning 'Well, I heard that the young Tremblay said, &c.)

Hon. Mr. CASSELS.—He said he heard Tremblay made the charge and the charge is absolutely false. That is what the witness means. I think that is quite plain. There cannot be any misunderstanding as to what he said. As I understand you, what you stated is this; you had heard that one Tremblay had made a charge that you had sent \$190 to—

Mr. PERRON.—That you had said to him, Tremblay himself.

Hon. Mr. CASSELS.—Then he goes on and adds, although he has heard that statement made the statement itself is absolutely false, that he never has sent any money or cheque to Colonel Gourdeau, and moreover Colonel Gourdeau is not the man that would come to him to borrow money from.—A. That is so.

By Mr. Watson:

Q. That is what you say?—A. Yes.

Q. Did you hear Tremblay make the statement?—A. No, I heard he had.

Q. You heard he had?—A. Yes.

Q. And you understood the statement to be what?—A. That I had given \$190 to Colonel Gourdeau.

Q. Yes, and then what?—A. And that I wanted to reimburse myself by asking him to falsify the list.

Q. I see. To pad the list?—A. Yes, sir.

Q. So as to make up to you?—A. To make up for the \$190 as he said.

Q. So as to make up for the \$190. When was that, when does he say that was?—

A. He says that was, I think, in 1906.

Q. 1906. Now, where is Mr. Tremblay?—A. He is in Sorel, I think.

Mr. WATSON.—He was to have been here, my lord, but we were not able to get him, but I will have to produce him afterwards. He will have to come down to Ottawa afterwards. It is necessary a matter of that kind should be cleared up. We must have the evidence, not hearsay.

By Mr. Watson:

Q. So that was the statement made by Mr. Tremblay?—A. Yes, sir.

Q. That you had asked him to do a wrong thing, in fact to commit a crime.—A. To commit a crime to reimburse me that amount.

Q. To falsify the list?—A. Yes, sir.

Q. And what did take place between you and him in regard to that matter?—A. Nothing at all.

Q. What?—A. Nothing at all, because I never spoke to him alone, I think once in my life.

Q. To whom, Mr. Tremblay?—A. Mr. Tremblay.

Q. How can you account for a statement of that kind?—A. Well, somebody who wanted in Sorel, I suppose, the heads of some of the officials and they had him to say what was wrong. That is the only way I can account for it.

Q. Well, is he still in the public service?—A. I think so.

Q. And you also,—I think you put in your resignation recently?—A. Yes, sir.

Q. That is rather a peculiar position, one official charging another.—A. Well, one clerk charging a superior.

Q. Yes. And still the clerk is in the service—A. Well, it looks like it. I don't know, but from what I hear he is there yet.

Q. And what did you say to him the next time you saw him? I need not ask you anything—A. I told him he had told a falsehood and he would account for it.

Q. Well, what else.—A. And I didn't discuss it any more with him.

Q. Do you mean to say you said no more than that, and he nothing, no disfigurement following.—A. All that came up in the investigation of Mr. Gaudette, and I heard of it only four months after.

Q. What else of the same kind did you hear from him or about him?—A. I don't recollect now.

Q. Did he make ny other charges against you?—A. I don't recollect just now.

Q. And what charges against you did Mr. Charland make.—A. Mr. Charland said that because I looked at the list of the buoys that I was interested in the board, which is a falsehood.

Q. In the board where.—A. Of the men.

Q. Where.—A. At Sorel.

Q. Then he also implied or stated that you were interested in those board moneys? —A. In the boarding of the men, yes, sir.

Q. And that you were making gain out of them?—A. Yes, sir, we had the board.

Q. Now, wait, please. What have you to say to a serious charge like that?—A. I say it is a falsehood, because I was never interested in the board of the men on Lake St. Peter. It was Mr. Roy who had the contract and who said, under oath, he only was interested in it.

Q. But you issued the cheques for the payment of the same board?—A. No, Mr. Roy received the cheque.

Q. But you issued the cheque here from your bank-account, payable to Mr. Roy —A. For the pay-list, not for the board. He received his cheques for the board directly from Ottawa, that is through the office here, but to his name.

By Mr. Perron:

Q. To his order.—A. To his order.

By Mr. Watson:

Q. Then the charge was he had falsified that record of the board and you were party to it —A. No, not for the falsifying of the record.

Q. But you received gains out of that?—A. He said I divided the profits for the board.

Q. With Mr. Roy?—A. With Mr. Roy.

Q. Where is Mr. Charland now?—A. I think he is in Sorel.

Q. Still in the service?—A. He has the board now for the men himself.

Q. Has he? I see. In the place of Mr. Roy?—A. In the place of Mr. Roy.

Q. The statement was at that time that you had in 1905 a 15th share in the profits, in 1906 you had a half of the profits in the board?—A. Well, it is all false, because I never had a cent of the board on the lake; I have had profit on the board of the *Shamrock* and *Acetylene*.

By Hon. Mr. Cassels:

Q. How was that worked? Did Roy make a contract to supply the men?—A. He had a contract with the government through no influence of mine.

Q. One moment. It was not the government paying for the board of these particular men; it was a contract, as I understand it, a contract with Roy, under which Roy contracted with the government to feed the men at so much a day?—A. Yes.

Q. If it cost more he was out of pocket?—A. He was out of pocket.

Q. And if it cost less he was in so much?—A. Yes.

Q. That is the way it was done.

By Mr. Watson :

Q. And in order to constitute a conspiracy I suppose it would have to be shown that the lists were padded, that is, that more men were put on the boarding lists than really were there?—A. Yes, sir.

Hon. Mr. CASSELS.—Or that the government was imposed upon as to the prices.

By Mr. Watson :

Q. I do not think anything was said as to the prices being excessive?—A. No.

Q. The point was that pay was received for the board of men who were not actually boarded. That was the point, was it not?—A. That was the point.

Q. And in regard to that what was said by you?—A. Well, the Inspectors came down and checked the number of men by the pay-lists they had received and they found the number corresponded with the number of men on the lists.

Q. Yes.—A. I think Mr. Anderson was down and Mr. Boudreau.

Q. Mr. Anderson.—A. He came once. All he found once there were some a little young, so they were dismissed for other people.

Q. Yes.—A. He found everything was correct.

Q. Then what did Colonel Gourdeau have to do with these contracts?—A. I don't know.

Q. They were made through him, were they not?—A. As Deputy Minister, I suppose so.

Q. The contract with you as to boarding on the *Shamrock* was made with him, was it not?—A. Yes, sir—well, with Mr. Stumbles who has that work in hand.

Q. I see. Was there any competition about that?—A. No, but I think we were all paid alike.

Q. I see. All paid alike?—A. Yes.

Q. Left with you because the ship was in your charge, do you mean?—A. Yes. And then there is no irregularity, if we have anybody on board nobody can say anything, because the captain has the board himself, it costs nothing to the government.

Q. Unless they are put down as employees.—A. Oh, no. I mean they come down for a trip or so. It allows the officer to have his wife on board without asking the government, that is what I mean.

Q. Yes. Well then, that was a very serious statement by Mr. Charland?—A. Which one?

Q. The one you have spoken of?—A. It was serious if it had been true.

Q. Well, I should think it was serious.

By Hon. Mr. Cassels:

Q. Serious because it was false?—A. Serious because it is false. I have never made a cent that way.

By Mr. Watson :

Q. Have you never obtained any retraction?—A. No, sir, never. Retraction, well—

Q. From Mr. Tremblay or Charland?—A. No. After saying so under oath he has to stick to his guns.

Q. That is what you say?—A. Yes, sir.

Q. And does he still adhere to that?—A. I suppose so. I haven't seen him for six months.

Q. You and he personal friends?—A. Not particularly.

Q. Not particularly, I see. Did you have business communications with him?—A. No, sir; but the superintendent of works and the resident engineer, he works along with them.

Q. Did you have business communications with Mr. Tremblay?—A. I may have had.

Q. Well, you have had since that time. He is the person who makes the pay-lists and certifies to you?—A. No, he does not certify them.

Q. Who certifies them ?—A. The resident engineer and the superintendent of works. We must make them according to the returns of the time-keeper.

Q. Yes. Then what about Mr. Moisa, what statement did he make in regard to you ?—A. He stated he had too many men on the works; and we had to dismiss him once because he was taking too many.

Q. Because what ?—A. He was taking too many on the job himself without advising his superiors, the resident engineer or the superintendent of works.

Q. Yes. Making out of it that way ?—A. No ; but taking too many men himself on the job.

Q. You mean excessive men, he was extravagant ?—A. Yes, too many men for one job.

Q. What was he making out of it ?—A. I don't know.

Q. What did he say about you ?—A. Well, he said there were too many men on the works.

Q. Well, what works ?—A. On the different works that we were doing.

Q. Well, I want to know what you were doing ?—A. Concrete blocks at Gallia Bay.

Q. Had you charge of those ?—A. There was a resident engineer and a superintendent there. I had charge after them.

Q. Under your direction were they ?—A. Under my direction.

Q. And he said what ?—A. That we employed—he did not say I employed—that we employed more men than were needed on the job.

Q. Yes. What did he say about any gains or profits you were making personally ?—A. I don't remember that he said so.

Q. You don't remember that he did ?—A. No, sir

Q. Did anybody else than these two make such statements ?—A. I don't think so.

Q. That is Charland and Tremblay ?—A. Those are the only two as far as I can remember.

Q. Then those were the matters that were inquired into by the commissioner, Mr. Gaudet ?—A. Yes, those were the ones.

Q. Did you give your evidence before him ?—A. Yes, sir,

Q. And you heard the evidence of the others before him—A. I didn't hear it; I read it.

Q. You read of it afterwards. So that those matters were the subject of the investigation before Mr. Gaudet ?—A. Yes, sir.

MR. WATSON.—Your lordship indicated to me at the former sitting that you would not feel disposed to go into the matter in detail which has been the subject of a prior commission.

HON. MR. CASSELS.—Oh no. It seems to me that matter is settled by the former commission. I do not think there should be a re-trial of it.

MR. WATSON.—Yes, my lord. I conceive it proper, while regarding your lordship's ruling, this being an inquiry personally of the official, to call his attention to these matters. I desire to observe your lordships ruling that there should not be a re-trial of it, yet in this Commission I think his attention ought to be called to those facts and a statement made.

Q. Then you know of no one else who made any statements against you ?—A. No, not against me.

Q. Then you know Mr. Brooks, F. L. Brooks ?—A. No, sir.

Q. What ?—A. I don't know him.

Q. Why ?—A. Because I don't know him.

Q. Well, you have seen him ?—A. I saw him once.

Q. You saw Mr. Brooks once ?—A. Yes.

Q. Where did you see him ?—A. On St. James street.

Q. In company with whom ?—A. In company I think with Mr. Fraser.

Q. In company with Mr. Fraser?—A. Yes, sir.

Q. That is J. F. Fraser?—A. Yes, sir.

Q. How did you know Mr. Brooks?—A. Because he introduced him to me.

Q. Who did?—A. Mr. Fraser.

Q. Mr. Fraser introduced you to Mr. Brooks. Now, how old a man did Mr. Brooks appear to be?—A. Oh, pretty old, about 60 I suppose, if that was the man.

Q. Why do you say, 'If that was the man'?—A. That was the man who was introduced to me as Brooks. He was about 60 I make out.

Q. Why do you say, 'if that was the man'? Did you have some doubt about it at the time?—A. No, but perhaps I didn't understand the name very well.

Q. But you have just told me it was Brooks?—A. Well, I met him once on St. James street.

Q. Is there any doubt he said it was Brooks?—A. No, I don't think there is.

Q. And the man Mr. J. F. Fraser introduced you as Brooks was a man about 60 years of age?—A. Yes.

Hon. Mr. CASSELS.—What date was that?

By Mr. Watson :

Q. Yes. What date was that?—A. That was some time last year.

Q. 1907?—A. Yes, sir.

Q. Just tell me what month it was?—A. It was in the summer.

Q. Can you tell the month?—A. No, I wouldn't say the month.

Q. Last summer you think. Was it not this spring or this summer?—A. No, it was not this summer sure.

Q. Just this last summer?—A. Last summer.

Q. You mean a year ago last summer?—A. No, no.

Q. Or this present summer?—A. No, a year ago, the other summer.

Q. Was it not this summer?—A. In 1907.

Q. How do you fix the date?—A. Well, I know it is last year during the summer.

Q. When we get past a summer we are apt to think of it as being the year before.
—A. I know, but it is in the summer of 1907.

Q. Then what sort of a looking man was he? Just give me a description of him.

—A. He is very slim man and a tall man and should weigh about 140 I suppose or 150. I can't say.

Q. How tall a man?—A. Well, I would make him out about as tall as myself.

Q. I see. Well?—A. I only saw him once about 10 minutes, so I may have made some mistake.

By Hon. Mr. Cassels :

Q. How tall are you?—A. Five feet nine inches.

By Mr. Watson :

Q. Five feet nine inches, I see.—A. Or very near it.

Q. And a fair man or a dark man?—A. Well, his hair was pretty grey.

Q. Eh?—A. His hair was pretty grey white.

Q. That is his hair?—A. Yes.

Q. And was he fair complexion or dark complexion?—A. Well, I couldn't tell you.

Q. Can you tell me?—A. I can't remember.

Q. Did he have a beard or a moustache?—A. I would think he had a moustache, that is all.

Q. That is all, I see. I just want to get a description of him. Can you give me any other description of him than that?—A. No, sir. That is more than I should have given after seeing the man only five or ten minutes.

Q. I don't think so. I think that is not more than ordinary observation would enable any one to state?—A. I didn't meet him for inspection, sure.

Q. Then what took place between you and him at that time?—A. Nothing at all.

Q. Why were you introduced to him ?—A. Well, because I happened to meet him on the street, and we did as we usually do, we went in for a drink, that is all.

Q. I see. You met Mr. Fraser on the street, and the friend went in ?—A. Yes, sir.

Q. The friend went in at the same time. Then at that time do you recollect the references to the contracts ?—A. No business was talking whatever.

Q. No business was talked about ?—A. I may say I have never dealt whatever a cent from Brooks.

Q. What ?—A. I have never bought for a cent from Brooks.

Q. Did you ever see him about the city before or have you since then ?—A. Never after or before. If I did, I didn't know.

Q. Have you been able to find any place of residence or any hotel where he stayed ?

—A. I think he has an office on St. James street.

Q. I know he has an office with the name apparently, but what I want to know is, have you any idea of a place of residence or the name of an hotel where he ever stayed ?—A. I surely don't know.

Q. I am informed there is no record of such a person in the city ?—A. Well, I know he was introduced to me.

Q. Nor in the city hotels or the city records. Can you give me any information of that ?—A. I don't know, this is the first time I have heard of it.

Q. Then you know Mr. Merwin very well, of course ?—A. I have met him four times in my life.

Q. Four times in your life ?—A. Sure.

Q. I thought you and he were great friends ?—A. We were not enemies, but we know each other, that is all.

Q. You have had business dealings with him ?—A. Oh, for about \$100 I suppose, no more.

Q. \$100. Well, he has discussed business transactions with you ?—A. Not as far as buying stuff was concerned. He was once at my office with J. F. Fraser to know the most dangerous places on the river—that was when we began to place the gas buoys—and I indicated where we should begin to place them.

Q. Yes.—A. That is all that happened. There was no question of price or anything of the kind.

Q. No question of price or anything of the kind—are you sure ?—A. I am quite sure.

Q. Not any time when there was a discussion of contracts or orders in your presence and in the presence of Mr. Fraser ? Try and think of that. Was there not ?—A. No, sir. No question of price was mentioned; it was a question of efficiency.

Q. A question of what ?—A. Efficiency.

Q. The fish ?

By Mr. Perron :

Q. Efficiency.

By Mr. Watson :

Q. Oh, efficiency.—A. I am speaking English. I would rather speak French.

Q. That is all right. You are doing very well.

By Hon. Mr. Cassels :

Q. As to where they should be placed ?—A. The most dangerous places.

By Mr. Watson :

Q. Yes the most dangerous places. Where did that conversation take place ?—A. In my office here in Montreal.

Q. And when was that?—A. I think it was in 1903 or 4. 1903 I think.

Q. And what month?—A. That was at the—I suppose it was at the beginning of the season, because they were placed during that season.

Q. Yes. Then what took place between you and him with regard to supplying machinery?—A. He never supplied me with machinery.

Q. What took place about that?—A. I never spoke to Mr. Merwin about machinery.

Q. About machinery?—A. No, sir.

Q. Well, in 1904 did you have any conversation with him?—A. I don't think so.

Q. His contract that year with the Department amounted to over \$160,000, and in dealing with the items composing that contract or supplied under that contract, he was asked before the Public Accounts Committee many questions. He says there were six steamers equipped, one of them yours?—A. No, sir.

Q. And he says in connection with that, the goods that appear in the present item. 'How did you sell those?' He said, 'I received orders from the Government to furnish them.' Q. Have you the letters?—A. No, but copies of the letters are here. Q. Then you say all those orders came in the same way by letter from Ottawa?—A. No; some of them came by orders from Prescott and some by orders from Montreal.' Passing over some matters of detail he was asked, 'I wanted to get at the first letter as to how the contract was made under which you sold these goods?—A. There was a great deal of that done verbally in talking the matter over with Mr. J. F. Fraser and Mr. Hugh P. Boucher.' Is there any other Mr. Boucher than you?—A. No, I am the one. There was never any question about prices or contracts. It was a question of placing the first five buoys we placed, where we should place them. That is all the conversation that took place between Mr. Fraser, Mr. Merwin and I.

Q. When was that?—A. In 1903, I think. Those were the first buoys that were placed here on the river.

Q. The first buoys?—A. The first gas buoys.

Q. Here it is: 'I want to get at the first letter as to how the contract was made under which you sold those goods.' And the answer is. 'There was a good deal of that done verbally in talking over the matter with Mr. Fraser and Mr. Boucher.'—A. It must have been with Mr. Fraser.

Q. Was it with you?—A. Because I had no authority to do it, and could not do it.

Q. Did you have any such conversation with him?—A. No, sir, never.

Q. Then the question is: 'Who is he?—A. He is in Montreal.'—That is speaking of yourself—'Mr. Fraser at Prescott.'—A. I cannot remember it, because I have no authority to make contracts, all the contracts are made in Ottawa and signed there.

Q. But did you discuss the matter of contracts with him?—A. As I said before, it was a question of finding the five most dangerous places between Montreal and Sorel, and I indicated to them where they should be placed; that was all.

Q. When did you see Mr. Merwin last?—A. I met him—well here. I met him here lately, but before that I hadn't.

Q. You met him here?—A. I hadn't—

Q. Meaning in the Court House?—A. In the Court House. I hadn't met Mr. Merwin for six months.

Q. I see, for six months before, you say. Now then, I should draw your attention before passing from it to this, that there was also a statement made against you that Mr. Roy—well, I suppose that is the same one—that he was in partnership with you?—A. That is the same one.

Q. That covers the same one, I see. Then off and on you have had complaints made against you, have you not, from the department?—A. Very few, I think.

Q. Very few. In respect of what kind of matters?—A. Oh, it might have been on account of unseen expenditure.

Q. What?—A. Unseen expenditure.

Q. Unseen expenditure?

Mr. PERRON.—Unforeseen.

WITNESS.—Unforeseen expenditure.

By Mr. Watson :

Q. I see. Expenditure in that way being too large?—A. Yes, too large.

Q. Now, I find on October 25th, 1904, the Deputy Minister wrote you a letter stating:—‘I notice by account rendered by Alfred Lavallee for the *Shamrock*’—that was the ship that was in your charge?—A. Yes, sir.

Q. ‘Dated 2nd May and paid by cheque No. 2364 on the 18th of August amounting to \$185.50 that on April 22 for three ton of coal he charges \$7, and on the same day for eight tons he charges \$5.75.’—A. Well, it must have been hard coal and soft coal. Hard coal for the cooking and soft coal for the ship.

Q. Is that all you can say about it?—A. As far as I can remember. I suppose I have answered the letter.

Q. From whom did you buy the coal?—A. Well, that was from Mr. Lavallee, he was on the patronage list.

Q. I do not see any answer by you to that letter of October 25th, 1904, on the file.—A. Well, my only answer is that the \$7 would be for hard coal and the \$5 for soft coal.

Hon. Mr. CASSELS.—Is there any further letter from the deputy?

Mr. WATSON.—Not about that, my lord.

Q. I pass on then to the next year. The next letter is June 5th, 1905. I assume that this is a full record from the file. That is all you can say about that?—A. That is all I can remember.

Hon. Mr. CASSELS.—It is strange the deputy minister did not ask for more information if he was not satisfied in some way.

Mr. WATSON.—Yes,

Q. Do you buy your coal from him too?—A. Never. I bought my coal here in Montreal and always paid for it.

Q. Where was Mr. Lavallee?—A. In Montreal.

Q. Did you get any advantages directly or indirectly?—A. Never.

Q. You have not heard what I have to ask.—A. Out of coal?

Q. Out of orders you gave for departmental supplies?—A. Never a cent.

Q. In your personal account with the same people?—A. Never a cent with any one of them.

Q. I observe on the 5th of June, 1905, a letter to you as follows:—‘I enclose herewith three accounts for expenses of Mr. E. Roy. The department does not propose to pay any such a sum as this. The amounts are excessive and would not be allowed even if accompanied by vouchers. There is absolutely nothing to show that Mr. Roy over expended these amounts. It is evident from the accounts that he was in Quebec on various occasions for which he charges full expenses, and it is also known to the department that he has been in the habit of frequently living either at the *Alpha* or some other government steamer. As these accounts have been certified by you, I should be glad to know why Mr. Roy is placed on different footing from any other employee of the department, and given an allowance per diem for sustenance which is contrary to the Audit Act, and as far as I know is unauthorized.’ What have you to say to that?—A. Well, as soon as an officer of the department brings his personal, his petty expenses, I certify them, but he has to stand up to them.

Q. Yes. But why did you certify them without having personal knowledge and information?—A. Well, Mr. Roy pretended that he was allowed so much per day and that he had to pay his expenses on that, and that he was allowed so much per day for grub wherever he was. That was his pretension.

Q. That was wrong?—A. I know it was wrong; and it was correct.

Q. But the point is, you meantime certified to it?—A. I took his word that it was O.K.

Q. I see. How long had he been there?—A. He had been there since 1906.

Q. Roy had been?—A. Yes, sir.

Q. Is he there yet ?—A. I don't know.

Q. After this investigation before Mr. Gaudet was he continued on ?—A. No, I think he resigned.

Q. I see. I should have thought he would have been dismissed.—A. I cannot swear to it.

Q. Probably he was dismissed ?—A. I don't know.

Q. Well, one could not understand otherwise very well. Well, your explanation is you took his statement for it, certified upon his statement without having the actual vouchers and personal information ?—A. I had the vouchers. He was sending the vouchers, but they would not accept them, because they said it was against the Act. I didn't know it was against the Act.

Q. But it was more than against the Act. He was making charges which were improper charges—I mean to say he was charging what had not been expended ?—A. Well, he was charging so much per day as he pretended he had an understanding.

Q. And the expenses had not been incurred by him ?—A. Well, perhaps not each day, but perhaps in making the addition for the month it would have come to the same amount. It was calculated on that basis.

Q. That is your explanation, is it ?—A. That is the only explanation I can see to it.

Q. Now, on the 13th of June you answer that letter, stating:—'In answer to yours of the 5th inst., No. 25,153, in which you enclose three accounts for expenses of Mr. E. Roy, I beg to state that the different accounts have been forwarded to Mr. Roy with a letter in which I inform him that the accounts have been found excessive and that in correcting the three said accounts so as to make them acceptable to the Audit Act he will have to consider himself as a resident of Sorel, and that his charges for expenses can be charged whenever he is away from Sorel. As these three accounts of Mr. Roy are for February, March and April, it was impossible for him to have lived on the *Alpha* or any Government steamer, as none were in commission. As to placing Mr. Roy on a different footing to any employee of the Department, I may say that Mr. Roy was left on the same footing as when he left the Quebec Agency. As I have no official authority to place Mr. Roy as a resident of Sorel, I beg to submit that you should write to him endorsing my action.' That is not quite in the line of your statement of excuse.—A. Well, that is the answer. Whenever I certify a personal account and there is any trouble about it, the man who makes the account has to vouch for it himself.

By Hon. Mr. Cassels:

Q. What is that account, a *per diem* allowance ?—A. A *per diem* allowance for grub where he was.

Q. Most of the officials are allowed so much a day ?—A. Not generally. It is the real expenses.

Q. It is the actual outgoing. So he was claiming there the actual money he said he had spent ?—A. He was supposed to be resident somewhere, wherever he lived, he was not supposed to charge for the days he was in Sorel.

Q. That is to say, if Sorel was his headquarters he had no right to charge while he was at home. Then the complaint is you should not have vouched these different items ?—A. I vouched them because that is what he had with the Quebec Agency, and I had no authority to change the arrangement.

Q. Did you vouch the accounts allowing him while in Sorel, or did you just take his word for it and certify them ?—A. I certified for the whole month so much per day.

Q. So much per day ?—A. As he pretended he had a right to by arrangement with the officials in Ottawa.

Q. The point is this: You allowed him so much per day, including his stay at Sorel ?—A. His stay at Sorel, wherever he was every day.

Q. I know. But you say he was not entitled to a daily allowance ?—A. He was not entitled to it.

Q. The whole business was you took it for granted he was entitled to a daily allowance and therefore you should have seen his actual expenses?—A. That is the point.

Mr. WATSON.—That is the point.

Q. Then I see on the 15th of August a letter from the deputy to you: 'I enclose herewith official cheque No. A-1785 in favour of Ernest Roy for the sum of \$1,000 on account for board of men employed on the construction work in the ship channel. The understanding with Mr. Roy is that he should receive the sum of 75 cents for each man per day for board. In the account I find that he has charged for cooking utensils and other supplies and also charged for the cook, which he should provide himself. I am to request you to be good enough to refer to the statements and accounts sent here for Mr. Roy, so that the department can ascertain what he has already charged in the way of supplies which he should have paid himself. When this statement is received I will be in a position to audit his account and arrange for the balance he is to receive. Kindly send this statement as soon as possible' Now, were you not familiar with the terms of the contract with him?—A. I didn't have a copy of the contract at the time.

Q. Well, how could you certify his accounts without having a copy of the contract or the particulars of it before you? You had previously certified to them, had you not?—A. Yes, I certified at the beginning of his contract.

Q. This is August 5, 1905?—A. That was the beginning of his contract and he told me he had 75 cents per day, he had just arrived from Ottawa and had a contract at 75 cents per day for every man he would feed on the construction work.

Q. Yes. Then did he tell you wrong?—A. Well he then put in accounts for utensils and so forth. I didn't know he was to pay them. I certified them, but he had to pay for them after.

Q. And did you certify to these things afterwards?—A. No, not afterwards.

Q. Then was Mr. Roy attempting to do wrong there?—A. No, he was under the impression that the government was to pay for the utensils.

Q. That is your understanding of it?—A. That is what he told me.

Q. I see. Now, I find on the 11th of January, 1906, a letter to you from the deputy minister saying: 'Referring to the account of Messrs. Beauchemin & Co., dated 1st November last for \$625 for steam steering machine for the *Shamrock*, which account is certified by you, I have to inform you that no authority appears to have been given by the department for incurring this large expenditure, and there seems to be no reason why this account should not have been forwarded last winter when the work was performed. I may say the department has always experienced inconvenience when accounts have been held over as in this case, and in future I have to request you to forward all accounts when the expense has been incurred. While Messrs. Beauchemin & Co's. account in this instance will be allowed, no account will be entertained in future unless the matter has been submitted to the department and proper authority obtained for the expenditure before the work is undertaken, and you are requested to strictly observe these instructions for your guidance,' and so on. How did you happen to certify that without any authority for it?—A. I don't know. My answer must be there. I don't remember.

Q. It is not here?—A. Well, it must have been a case of emergency for starting in the spring, and our wheel being out of order we had to get a new one in haste.

Q. Then sometimes you do act on your own motion and authority?—A. In a case of emergency for the buoy service we cannot wait for orders. The buoys in the spring must be placed. There are ships waiting for us in Quebec, and we cannot wait for orders, we have to take it on our own responsibility.

Q. I find some other correspondence following upon that and a letter by you of April 9th in answer to another letter upon the same question, and in that letter you state practically the same things you have now stated.

Mr. WATSON.—I need not take up time, my lord, by going over them. I will put them in.

Hon. Mr. CASSELS.—I saw, Mr. Watson, in Ottawa the other day the Mint was on fire, and they would not let the fire brigade in unless they got an order from headquarters. The firemen had to break in.

Mr. WATSON.—That was indiscretion, not discretion.

Hon. Mr. CASSELS.—I suppose so. Mr. Boucher says it must be so, there must be some necessary latitude. Navigation would be stopped if a buoy dragged while they waited for orders to fix it.

WITNESS.—Or the ship might go aground.

Mr. WATSON.—Then I see a copy of a letter of the 5th of June, 1906, written by the Auditor General to the Deputy Minister, saying:—‘Mr. E. Roy has been paid during the current fiscal year by cheques 1431-A, 2152-A, 2484-A and 4613-A, \$1,171, being board of workmen on the Becancour lights at the rate of 75 cents per day each from July 1st to August 31st, 1905. The vouchers sent me in support of each of these payments is certified by Mr. Boucher, the Agent of the department at Montreal, and as he lives a considerable distance from the works and presumably has not a personal knowledge of the quality of the board furnished to the men, I would like to know the evidence on which he certifies the prices charged are fair and just.’ How could you certify to things—A. Under his contract. He had a contract at 75 cents.

By Hon. Mr. Cassels :

Q. As I understand it, the man had a contract to feed the men at 75 cents?—A. Yes.

Q. If he did not furnish proper food the men would complain?—A. Yes.

Q. That is between the men and the contractor.

Mr. WATSON.—Yes. But it would look as though this board was outside of the contract.

Q. Was there any account vouched for Roy for board which was outside of his contract?—A. No, sir.

Q. Are you sure?—A. I am quite sure I never certified any.

Q. Then the form of certificate was at fault. I suppose it ought to have been ‘according to the terms of the contract,’ instead of being ‘just and fair’?

By Hon. Mr. Cassels :

Q. I suppose the Auditor had in mind at the time there was a contract?—A. There is a resident engineer always certified the board before I did.

Q. What is his name?—A. They have changed. It was Dubuc, then Arcand, then Longtil.

Q. They would come to you certified by the resident engineer?—A. By the resident engineer who was on the work.

Q. We had an instance, I think, Mr. Watson, of some man from Prescott who refused to certify prices.

Mr. WATSON.—That was Mr. Noble.

Hon. Mr. CASSELS.—Yes. He declined to put the usual certificate on. He was a witness.

Mr. WATSON.—Yes, my lord, I remember. He was strictly right.

Hon. Mr. CASSELS.—He was strictly right.

Mr. WATSON.—But, of course, it was according to contract.

Hon. Mr. CASSELS.—The Departmental officer, Mr. Fraser, did not think he was strictly right.

Mr. WATSON.—No. I thought at the time, and still think, he was right, and Mr. Fraser took a high hand in telling him he must certify according to the form. Mr. Noble took it as a threat to him that if he did not certify he would pay some serious penalty in his service.

Hon. Mr. CASSELS.—He seems to have suffered a good deal in that instance.

Mr. WATSON.—The form ought to read, 'According to contract or according to arrangement with the Department', in stead of being 'just and fair.' However, that was the settled form. I think Mr. Fraser afterwards denied that he had made the statement to Mr. Noble that the latter spoke of. That is the way the matter stood.

Hon. Mr. CASSELS.—Yes, that he would be dismissed if he did not do it.

Mr. WATSON.—Yes, that is what Mr. Noble said, and Mr. Fraser denied that. Of course, it is a question for your lordship, if it is of importance, who was right; it is not for me, that denial. There is considerable other correspondence on the same matter. I do not know it adds to it in view of what this witness has said.

Hon. Mr. CASSELS.—It seems to me in regard to those certificates the explanations are on the correspondence, and the Government accepted the explanations.

Mr. WATSON.—Yes, it looks so.

Q. Did you have to do with those piers in Lake St. Peter?—A. Well, I supervised them as I went along with the inspection of the buoys. I would be there about once a week.

Q. Once a week?—A. They were in charge of the Resident Engineer and the Superintendent of Works.

Q. Who was the Resident Engineer?—A. At the beginning it was Mr. Dubuc and he was replaced by Mr. Archand.

Q. And Colonel Anderson was the Engineer in charge of the whole?—A. Of the whole.

Q. And from whom did you receive your instructions in regard to that?—A. Mr. B. H. Fraser.

Q. From whom?—A. Mr. B. H. Fraser, the Assistant Chief Engineer.

Q. I see. You had nothing to do with Mr. J. F. Fraser in connection with those matters?—A. No, he had nothing to do with the piers at Lake St. Peter.

Q. Then did you have anything to do with the expenditure, paying out the moneys?—A. No, sir.

Q. Or with the engaging of men?—A. I never engaged the men. The resident engineer and the superintendent of works engaged the men.

Q. Then did you have any personal responsibility except as an engineer of the department making occasional inspection?—A. I had no personal responsibility except to see that the work was going on. As I would go and inspect the work to see if the work was progressing.

Q. Now, we have heard that one of these piers afterwards practically went to pieces and another one is of little use. How do you account for these things when you made your inspection?—A. Well, the engineer—

Hon. Mr. CASSELS.—Mr. Watson, I do not understand Mr. Boucher said he made any inspection with a view to seeing as to the quality of the work at all.

Mr. WATSON.—I took it that way. Perhaps not. Your lordship may be right.

Hon. Mr. CASSELS.—I think what he stated was this: On his periodical inspection of the buoys he would pass these piers and just see if they were pushing the work.

By Mr. Watson:

Q. Let us see. What did you make the inspection for?—A. To see about the progress of the work, that the government got the work done for the money they were spending.

Q. Had you anything to do with the original design?—A. No, sir.

Q. The plan of construction?—A. No, sir. That was made in Ottawa and finished, I think, in Sorel.

Q. Had you anything to do at all with that?—A. No.

Q. Were you consulted about those things?—A. I think I was consulted.

Q. Consulted?—A. Yes. Not as agent, but as a civil engineer.

Q. Well, in your capacity as agent, being an engineer as well. Those went afterwards to pieces, one or two?—A. One of them, the top is gone. We are rebuilding it. The two others, they are making them larger than we first built them, and they will be O.K. In fact three lights are now working on No. 2 curve, the three lights are working as if nothing had been wrong with the piers.

Q. But yet in the original design and construction it is manifest there was error, I should think. You say that you were not responsible for that?—A. Well, there was an error. I suppose the piers were too small and the ice was too thick. That is the only explanation I can give.

Q. I see. It turned out that they would not stand the pressure of the ice?—A. That is why they are making them large. In fact, you must have islands there if you want them to resist the ice.

Q. Apart from that, have you any knowledge in regard to these piers, any knowledge of anything occurring in an irregular way in connection with the construction by the contractors or the contractors men?—A. No, sir. The work is made O.K.

By Hon. Mr. Cassels:

Q. What you say is, it was good work for the size of the pier?—A. For the size of the piers.

Q. But the size of the piers were too small?—A. That is my opinion.

Q. That is your opinion?—A. That is my personal opinion.

Q. And now they are enlarging them, I understand?—A. Yes, sir, a ring of 15 feet all round.

Q. What was the original diameter?—A. 40 square.

Q. 40 square?—A. There was one 50 square, two 40 square.

Q. Now they are adding on 15 feet all round?—A. All round.

Q. Making it 55 square?—A. 70 square, 15 on each side.

Q. 15 on each side, is it, I see.

By Mr. Watson:

Q. Then what had you to do with Mr. J. F. Fraser personally in contracts?—A. I had nothing to do with Mr. J. F. Fraser.

Q. What directions did you get from him at any time? He was Commissioner of Lights?—A. Oh, I received very few.

Q. Why so?—A. Because I would always write to the deputy minister whenever I needed anything and he would always answer me.

Q. The deputy minister?—A. The deputy minister.

Q. Well, you were in the habit of interviewing Mr. J. F. Fraser, or he of interviewing you?—A. Very seldom.

Q. In respect of what matters?—A. In respect of no matter at all.

Q. No matter at all. What was the interview about?—A. Well, sometimes he would ask if I would need a lens and what kind of lens I would need for such a light as we were building, and I would tell him the size, what I thought should be done, but that happened only a couple of times.

Q. A couple of times?—A. Yes, sir.

Q. Have you a knowledge of irregularities or money making or gains by him or Mr. B. H. Fraser?—A. Not in the least.

Q. You have no doubt that Mr. Roy made a gain?—A. On his food I think he did.

Q. And who else made gains improperly?

Hon. Mr. CASSELS.—He does not say Mr. Roy made gains improperly.

By Mr. Watson:

Q. Did you not mean that?—A. I did not say improperly. He made gains because it did not cost 75 cents to board the men.

Q. But were his reports not incorrect?—A. I am not ready to say his reports were not correct.

Q. Not ready to say?—A. No, sir.

Q. You were agent at Montreal?—A. At Montreal.

Q. You were in charge of the matter?—A. Yes, sir.

Q. You should have information about this matter; you should be possessed of it?—A. Well, the information was that when I received the list certified by everybody there I was satisfied that it was correct. That is why I certified it.

Q. Your conclusions does not agree then with the conclusions of the commissioner?—A. Well, I find that it does not.

Q. I just wanted to know what your position was about that. I see.

Hon. Mr. CASSELS.—What the witness says is this: He got a list with a certain number of men's certificates on it certifying they were there and being fed, I suppose, and he took that for granted.

Mr. WATSON.—Yes. I am not speaking of his own justification at all or his own position.

Q. But as the head of this branch over Mr. Roy I want to know whether, as such head, you found Mr. Roy in any wrong?—A. Never.

Q. It appears to me that is rather extraordinary in view of what was afterwards before you?—A. That was found afterwards, I learned that afterwards, I didn't know. then.

Q. I did not ask you whether you knew it then. You have since found he was wrong?—A. I found by the evidence they gave.

Q. And who else is in the same position?—A. I don't know.

Q. What other employee or official is in a similar position to your knowledge or information?—A. I don't know of any.

Q. Assuming that report to be correct and he did wrong, does that help you or assist you in connection with any other official?—A. No, it does not assist me, sure, because I—

Q. Any other employee or official?—A. Well, all those that certified the account, I suppose it does not help them at all, that is the resident engineer and myself, but we were in good faith at the time, because we did not know what we know now, if what comes out is true.

Q. To what extent have you yourself made gains by reason of this system—A. I never—

Q. Listen, please: which prevailed of your personal use, for a time at all events, of departmental moneys?—A. I never made a cent out of it.

Q. Do you say that?—A. I say that and I swear it.

Q. What has your salary been?—A. \$1,800.

Q. \$1,800?—A. Yes, sir.

Q. No more than that?—A. No, sir.

Q. Now, I may just say to you, Mr. Boucher, quite fairly and frankly, that that being so, the information that has been given to me is that you live at a rate of three or four times the amount of your official income?—A. No, sir, I do not.

Q. That is your answer, is it?—A. Yes, sir.

Q. Mr. Fraser—Mr. J. F. Fraser, did you say you had only spoken to him three or four times?—A. No, I spoke to him oftener than that. I said we had very little correspondence.

Q. Yes. What correspondence would you have with him?—A. Oh, on very small matters, my opinion as to the powers of the lens in a certain light and so forth.

Q. Was he an intimate friend of yours?—A. No, he was a friend of mine, not an intimate.

Eh?—A. He cannot be an intimate, because I have known him only for six years and we don't meet more than two or three times a year.

Q. You don't meet more than two or three times a year?—A. No.

Q. So you are not intimate friends?—A. No.

Q. What is his first name, James or John or Joseph?—A. I couldn't tell you.

Q. Now then, my learned friend calls my attention to the fact that you are apparently on pretty close relations of friendship. Here is a letter of March 21st, 1906, that is not more than three years ago. You wrote to him and you called him, 'My dear Fraser'?—A. Well, that is the change at the beginning of the letter now and then.

Q. What is that?—A. It means nothing at all, only a change of the letter so as not to be always the same.

Q. That is not the way we address business people, that is the way of addressing a personal friend?—A. Well, that is in English, so that I may use expressions that an English person would not.

Hon. Mr. CASSELS.—He adopted the English fashion.

By Mr. Watson :

Q. I see. 'My dear Fraser, enclosed please find certified accounts of hotel keeper for 28 days board of John Haggarty and John Fitzpatrick. This is the account I spoke about through the telephone. This is the account was lost in Ottawa or Prescott. Yours truly, Boucher.' That is right, is it?—A. Yes. Those were men working on the acetylene scow when we established the acetylene gas during the winter, and the account had been sent to Prescott and never reached Ottawa.

Q. I do not want to go into that. I am merely referring to that to refresh your recollection as to the relationship which existed between you and him. Then how often did you reach the point of addressing the deputy minister as My dear Gourdeau, how often?—A. No, I always—I would not use the expression because he was not on the same footing as I. I would say, sir.

Q. He was your superior, but Mr. Fraser was too, was he not?—A. I thought he was my equal.

Q. I see. I think that is all right in form.

Hon. Mr. CASSELS.—I think anybody else would do the same. I have addressed persons in that way I have not met, even. It is like yours respectfully to some one you do not like at all and do not respect.

Mr. WATSON.—Yes.

Q. Did you have anything to do with these companies, the Safety Car Heating and Lighting Company, and the Submarine Signal Co.?—A. Never.

Q. Not at all?—A. Not at all.

Q. No contracts with them, no negotiations with them?—A. No, sir. They sold at Ottawa. We make our request at Ottawa and we receive the stuff.

Q. Then in connection with the purchases made from your office for the department at what prices did you purchase as compared with others, do you know?—A. I always I generally bought from wholesale merchants at the market price.

Q. From wholesale merchants?—A. At the market prices.

Q. Market price. by what kind, wholesale or retail?—A Wholesale, retail—wholesale I think.

Q. Wholesale?—A. Yes.

Q. You say you generally did?—A. Generally.

Q. Why did you not always do so?—A. Because we cannot always do it.

Q. You cannot always do it?—A. No, sir. We would not go for a very small item at a wholesale store, to buy a thing of \$1.50 or \$1.75.

Q. Then in connection with such purchases have you any knowledge as to discounts or advantages allowed by the persons selling to any one in the department?—A. Never.

Q. Has any such thing ever occurred with you yourself?—A. No, sir, because half of those I buy from I don't see once in a year.

Q. Is that a reason for it?—A. Well, I go wherever the men are on the patronage list. It is because they are on the patronage list.

Q. You are adding that as a circumstance, so that you have no knowledges or information of any such thing?—A. No, sir.

Q. Have you been spoken to by any official of the department about dealing with particular merchants?—A. No, sir.

Q. At any time?—A. No, sir.

Q. Where do you get the so-called patronage list?—A. From Ottawa.

Q. And from what source at Ottawa?—A. Always signed Deputy Minister Marine.

Q. I see. Then outside of that, do you get any directions?—A. No, sir.

Q. Have you ever received any directions?—A. No, sir.

Q. From any official or any suggestions?—A. No, sir, and I would not take any.

Q. To favor this one or that one?—A. No, sir.

Q. You saw Colonel Gourdsau here on Mondty of this week, I believe?—A. No, sir.

Q. What?—A. No, sir.

Q. Where did you see him?—A. I didn't see him, I haven't seen him since I was in Ottawa.

Q. When was that?—A. A year ago.

Q. You have not seen him at all?—A. No, sir.

Q. Since you were in Ottawa a year ago?—A. Yes, sir.

Q. I want you to just try and refresh your mind and recollection now closely and accurately, so that there can be no possible mistake or any other condition afterwards to be shown to exist.—A. Well, I didn't see Colonel Gourdeau for the last six months, sure.

Q. Six months you have come down to now?—A. Well—

Q. Wait. Now it is a matter of importance, there should not be any mistake on your part. A mistake will not be excused on your part, you understand?—A. Yes, sir.

Q. Now, I want to know when you last saw him here. Now don't forget?—A. I did not see him here for the last six months, and I repeat it.

Q. Where did you see him then?—A. I say six months because I came down to six months, but the last time I saw him that I recollect well it was in Ottawa.

Q. And here in Montreal?—A. I don't remember when I did.

Q. You don't remember. Within a month?—A. I can swear positively within a month I didn't see him.

Q. Within two months?—A. Within two months also.

Q. Don't forget.—A. Yes, I don't forget.

Q. Well, when was it then?—A. In fact, I didn't see him since he has resigned.

Q. Was it within three months?—A. Well, I am telling you since he resigned I didn't see him.

Q. Do you know the date he resigned?—A. No, sir.

Q. I want dates. Is it within three months?—A. I don't recollect having seen him within three months.

Q. You don't recollect having seen him within three months?—A. No, sir.

Q. Was Mr. Fraser with him at the time?—A. No, sir.

Q. Who was with him?—A. I did not know, but when I saw him, as far as I recollect, it was in Ottawa.

Q. But I am speaking now, or asking now, in regard to Montreal?—A. I don't know when it was, but I know it is very long since.

Q. You say it might be three months?—A. Well, three months is as far as I want to swear, but it must be longer than that.

Q. As far as you want to swear.

Hon. Mr. CASSELS.—What he says is, he believes it to be much longer.

Mr. WATSON.—I know.

Q. But Mr. Boucher, do yourself justice if you please. In your recollection you say first a year, then six months, then three months?—A. Well, I don't remember having met Colonel Gourdeau for the last twelve months.

Q. Will you try to do better?—A. I cannot do better, sure.

Q. Than that?—A. I cannot do better, sure; I am doing my best.

Q. Did you see him along with Mr. Fraser during the last three months?—A. I don't think so.

Q. You don't think so?—A. In fact I am quite sure I did not.

Q. How many times have you seen Mr. Fraser during the last month, J. F. Fraser?—A. J. F., I have not seen Mr. Fraser for the last six months. J. F. I am speaking of, not B. H., J. F. Fraser.

Q. Yes. For the last six months?—A. Sure; and that is at the least.

Q. Since this inquiry commenced?—A. I have not seen him since this inquiry commenced, sure.

Q. What?—A. I have not seen J. F. Fraser since this inquiry began, I am quite sure of that.

Q. Mr. B. H. Fraser, you see him quite often?—A. Yes. He comes down on the river here every week or fortnight.

Q. In his service?—A. Yes.

Q. You have discussed questions with him about the inquiry?—A. No, not about the inquiry.

Q. Off and on?—A. Off and on we have spoke of what had happened already.

Q. And of his and your position?—A. No, we didn't speak about that.

MR. WATSON.—That is all, my lord, at present. It may become necessary to ask you to attend at Ottawa when his lordship resumes there. That is all for the present.

WITNESS.—Can I have my bank book now?

By Mr. Watson :

Q. Do you require it?—A. Well, I would like to have it.

Q. Well, you do not keep bank books longer usually than—A. But those stubs, I generally keep them, I have had that one since 1903.

HON. MR. CASSELS.—I think the bank book is not of very much use or very much consequence.

By Mr. Watson :

Q. You certainly do not require the stubs of the cheques.—A. I would like to have them because I have this last month, I want to know whom I have paid. They have sent me an account for the two months. I want to find out what I paid them the last month.

MR. WATSON.—I would, my lord, very much if these could be kept in the hands of the registrar until after I have seen those cheques at Ottawa.

HON. MR. CASSELS.—Very well.

MR. WATSON.—I want to see the cheques at Ottawa to compare with these.

HON. MR. CASSELS.—They will be kept in safety, Mr. Boucher, you will get them back.

WITNESS.—Thank you.

MR. WATSON.—Then, my lord, there may be one or two more witnesses in or about here that it may be found important to call, but if so they will be called at the sitting at Ottawa. It is not far for them to go. Meantime I will be able, with my learned friend, to obtain some further information, if it is to be found necessary, and for that reason, my lord, I have not them in attendance. It may be necessary—I think it will—but if so we will produce them at Ottawa when your lordship resumes there.

That being the condition, my lord, I have not any further evidence at the present time to offer to your lordship in connection with the Commission. I may say, however, speaking for myself alone as counsel, and I think also speaking for my learned friend, Mr. Perron, associated with me, that we are very deeply and strongly impressed with the importance of some of the evidence which we have been able to elicit and adduce during the last two days bearing especially upon such important contracts as those between Mervin and Brooks & Co., and those two companies, the

one in New York and the other in Boston, and the department. The transactions involved in those contracts have been very large, and the condition, as it exists to-day before your lordship, is most unsatisfactory. The evidence of Mr. Merwin, which I think it is of the greatest importance should be followed up as speedily as possible, indicates a condition that upon its face looks somewhat serious as affecting these people who have been dealing with the department. The appearance to my mind is one of deception on the part of some one as towards the department, and whether or not some officials of the department—

Hon. Mr. CASSELS.—You mean some one including some officials?

Mr. WATSON.—Quite so. I was going to add, and whether some officials of the department are directly connected with that is, as it stands at this moment, a very serious question. There has been enough adduced to point directly in that way.

That being so, my lord, I have after consultation, made efforts to pursue this particular line of investigation with those parties at the earliest possible moment. I have communicated with Mr. Brooks, whose address is at New York, and I received a telegram from him in answer to the communication I sent him, which was as to whether or not he would be willing to attend before your lordship at New York to give evidence and to produce his books so far as they bear upon the matter of contracts with the department. Yesterday I received a telegram from him in those words directed to myself: 'If commission comes to New York will give evidence. Notify me as to where and when to appear. F. L. Brooks.' In answer to that, my lord, I sent a telegram last evening as follows: 'Telegram received. Will you undertake to produce all your books of account at same time? Please rush answer.' Up to this moment I have not had any answer to that telegram, but we have in this telegram his statement that he will attend to give evidence. As a business man of ordinary intelligence it ought to be present to his mind that he could not give satisfactory evidence without producing the books. I merely sent this further telegram as a matter of additional precaution.

Hon. Mr. CASSELS.—Those are the books they would not produce in Ottawa before the Public Accounts Committee?

Mr. WATSON.—Yes, my lord. That being so and that statement and telegram that he will attend at Montreal—

Hon. Mr. CASSELS.—At New York, to give his evidence.

Mr. WATSON.—At New York to give his evidence, it is our duty at the earliest possible moment to attend there with a view of having that evidence taken, and I certainly hope and expect at the same time to be able to get production of his books.

In addition to that, my lord, I sent a telegram to the Safety Car Heating and Lighting Company asking for production of their books and for evidence from them, and I received a telegram from them last evening as follows:—'Message received. Through the absence of officers from city will reply Saturday. Shall we communicate same address?' So I will not get that answer until to-morrow, but I do not hesitate to say this to your lordship, that having regard to what I understand is the good reputation, the honourable reputation of this company and those associated with them, I cannot conceive it possible that they will not most readily and heartily accede to the request for their own sake as well as to assist us and produce their books. So that I anticipate to-morrow I will receive a telegram saying that the productions will be made.

Then, my lord, a step further. I sent a similar message to the Submarine Signal Company at Boston, and I have received this answer from them:—'Our Chairman still abroad.' Impracticable to take up the matter until his return.' That is therefore a little more indefinite, and it may be that we will not be able to get production of their books at Boston until a little later.

Hon. Mr. CASSELS.—Well, abroad would mean out of the country apparently.

Mr. WATSON.—Yes, my lord. I should have stated we had information the Chairman was said to be in England, or Europe, or somewhere. But this firm has also a

good reputation and I have the same expectations with regard to them and the course that they will pursue.

So that, my lord, as counsel assisting your lordship, my learned friend and I have these matters to submit, and in connection with them to impress, as far as we can, the importance of this evidence and the importance of attending at Montreal.

Hon. Mr. CASSELS.—At New York.

Mr. WATSON.—At New York during this coming week and as early as possible. I will be able to go there, if your lordship so approves, on Monday evening, and to spend whatever time is necessary there during this next week for the purpose of endeavouring to get at the bottom of these matters that are of much concern just now. So that I propose to your lordship, if it meets your lordship's approval, that the adjournment should be for the purpose of taking this evidence at New York during this coming week.

Hon. Mr. CASSELS.—Well, you propose to go down and then, if you can get the evidence, to telegraph me, or is it necessary for me to go down in your judgment?

Mr. WATSON.—It is just as your lordship sees fit about that. Perhaps there might not be any loss of time if I were to go on Monday evening, and then on Tuesday morning see the people and arrange a place of meeting and appointment for Wednesday morning.

Hon. Mr. CASSELS.—I am willing to go on receipt of a telegram from you. I see the importance of it.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—As I understand it, these contracts in question, these Merwin and Brooks contracts, involve something over half a million dollars.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—Now, the facts in connection with those contracts were very fully ventilated in the Public Accounts Committee, but the books were not produced. The evidence here is different to the evidence before the Public Accounts Committee and points especially at all events to one or two of the officials. That being so, and the amount being so large, I think it is only fair and right the course you suggest should be adopted.

Mr. WATSON.—Yes, my lord.

Hon. Mr. CASSELS.—Then I wish to say this: That I personally am extremely anxious to get through with this Commission. I am loaded up with work in the Exchequer Court. Prior to this week I had eight days in Montreal hearing a most complicated and intricate appeal in the Quebec Southern, it may take me two or three weeks to deliver judgment involving a very large sum of money, and the business of the Court is behind. So, I hope and trust we will get through before Christmas.

Mr. WATSON.—We will do our utmost.

Hon. Mr. CASSELS.—I have been figuring a little and I think Quebec will take three weeks.

Mr. WATSON.—I hope not that long. If I thought that long I would feel constrained as a personal matter.

Hon. Mr. CASSELS.—You see, Mr. Watson, the work has to be done thoroughly.

Mr. WATSON.—Just so, my lord.

Hon. Mr. CASSELS.—Well, you see the time that has been taken with Sorel and Montreal. The dealings in Quebec are very much larger, all the vessels being there, and I doubt very much if we shall get through under three weeks. Then I do not know about St. John, whether it will be necessary to go there or not.

Mr. WATSON.—The information I have is that it will certainly be necessary to go to St. John and Halifax.

Hon. Mr. CASSELS.—St. John and Halifax will take some time.

Mr. WATSON.—And it will be also necessary to attend at Toronto to inspect that Fog Signal Company, and there are three or four other firms there dealing with the department to a considerable extent.

Hon. Mr. CASSELS.—Well, there is Quebec, St. John, Halifax and Toronto, and then about three weeks in Ottawa.

Mr. WATSON.—Then we will have very considerable to do in Ottawa when it is resumed there, and there is the summing up.

Hon. Mr. CASSELS.—Then I have to sit down and groan over this mass of evidence, and it will probably take another three or four weeks to make my report. That is the way I am saddled with it. I must get through with it at the earliest possible moment and I look to counsel to help me. I am absolutely in your hands.

Mr. WATSON.—You may be assured of our best assistance.

Hon. Mr. CASSELS.—I am satisfied of that. Then you will wire me, giving me some reasonable notice if you think I ought to go down.

Mr. WATSON.—I would have been glad personally if your lordship had gone in the first instance, I would have been rather pleased about that.

Hon. Mr. CASSELS.—It seems to me it is not my duty to go down there unless you find there is something in the way of evidence to be forthcoming. It will be necessary for the registrar to go down and the shorthand writer. When you get down there you may find the books all gone.

Mr. WATSON.—I hope not.

Hon. Mr. CASSELS.—I am not suggesting it, but you see the difficulty you have had in extracting the tooth so far.

Mr. WATSON.—Then, my lord, that may be understood, your lordship thinks I should go down?

Mr. WATSON.—Then I will go down from Toronto on Monday evening and I will let your lordship know the earliest possible moment on Tuesday at Ottawa. Then I hope the matter may be resumed in New York on Wednesday morning.

Your lordship will allow me as a matter of record that these statements and undertakings here should be filed, I would like to have them filed along with a little other correspondence that I have bearing upon cognate matters. I will have them filed of record with the registrar.

(Telegrams and letters bearing upon the matters referred to in counsel's remarks marked exhibit 85.)

Hon. Mr. CASSELS.—I suppose we would not be in New York more than a day or perhaps two days?

Mr. WATSON.—We ought not to be more than two days. Of course, if Mr. Brooks and the others attend I would not want to absolutely limit the time, my lord.

Hon. Mr. CASSELS.—No, I do not want to shorten it. We must just try to get at the bottom of it.

Mr. WATSON.—If the car safety people attend for examination as well as for production of their books, and Mr. Brooks does the same, as he says he will, it is a matter of two or three days. But I can give your lordship further information about that when telegraphing.

Hon. Mr. CASSELS.—Then as to a further appointment, we can arrange that afterwards.

Mr. WATSON.—Just as soon as the New York matter is advanced.

* Adjourned at 12.35 a.m., October 9, 1908, *sine die*.









